

## Shamir to help Romania get MFN from U.S.

By BENNY MORRIS  
Post Diplomatic Correspondent  
Prime Minister Shamir has launched a campaign to get the U.S. to grant "most favoured nation" trade status to Romania.

At a meeting yesterday with Democratic Sen. John Breaux of Louisiana, Shamir said that Romania was "worthy" of "most favoured nation" treatment because it allows free Jewish emigration. Moreover, said Shamir, Romania was the only Communist country in which Jews enjoy "a full Jewish life." These things should be taken into account by the U.S., said Shamir.

Shamir said that he knows Romania "has a problem" in Congress because of allegations regarding treatment of its Hungarian minority. "I would like the Jewish minority in the Soviet Union to live in the same conditions as Romania's Hungarians," said Shamir.

Throughout last week's visit to Romania, Shamir's aides insisted that their hosts had not asked for Israeli help in Washington on the "most favoured nation" problem. Romania had lost "most favoured nation" status because of what Washington considered human rights violations.

Shamir told the cabinet yesterday that a Romanian trade mission would visit Israel in November to increase the volume of trade between the two countries.

Israel imports goods worth some \$30m. annually from Romania, and sells Romania some \$7m. worth. Israel's negative trade balance with Romania will deteriorate if a deal goes through to import Romanian-made Delta cars.

At the cabinet meeting Shamir also noted the invitation he extended to Romanian Prime Minister Constantine Ilescu to visit Israel in the coming months had been approved by the Romanian government, and all that remained was to fix a mutually acceptable date.

Shamir, in reviewing his three rounds of talks with President Nicolae Ceausescu, said that the visit had reached that end.

The Post Middle East Staff adds: Egypt rejects recent proposals by Shamir to revive the peace process on the basis of the Camp David accords, Abdel-Meguid has said.

Speaking over the weekend to journalists in Alexandria, Abdel-Meguid said that there was no possibility of starting negotiations for West Bank autonomy, because Jordan was not a party to the Camp David accords.

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Demonstrating farmers pose yesterday with an alligator from Hamat Gader on the Golan Heights. The sign reads: *Rak li mutar linshoch neshech*, a play on words referring to their heavy burden of interest.

## Roadside protests staged by farmers in northern Israel

By DAVID RUDGE  
Jerusalem Post Reporter  
TIBERIAS. — Hundreds of debt-ridden farmers staged roadside demonstrations in Galilee and the North yesterday to press for immediate government action to ease their financial plight.

The placard-waving protesters attempted to block four main intersections, at Nabariya, Mahanayim, near Rosh Pina, Tzema, near Tiberias, and the busy Golan junction.

At Mahanayim, angry slogan-chanting demonstrators temporarily blocked the junction with a tractor until police removed the obstacle. Two farmers were arrested and later released.

Several times the demonstrators stopped lorries in the middle of the junctions, claiming that the vehicles had broken down.

Scores of protesters attempted to stop traffic by lying down on the road at the Golan junction. They dispersed after Sgan-Nitzav Danny Tabiv, in charge of the police unit at the scene, warned that they would be removed by force.

The farmers had been given permission to demonstrate alongside the intersections, provided they did not disrupt the flow of traffic.

Northern district police spokesman Rav-Pakad Yehoshua Sinai said that, apart from the two incidents, the hour-long demonstrations, which began at 7 a.m., passed off quietly.

The farmers, from kibbutzim and moshavim in Galilee, the Golan Heights and the Jordan Rift, handed out explanatory leaflets and cold drinks to exasperated motorists caught up in the demonstrations.

They said the action was the opening shot in their campaign to press the government to implement the recommendations of the Ravid committee, which put forward proposals to bail out the country's farming settlements with accumulated debts of around \$1.5 billion.

The proposals were recently approved by the Knesset Finance Committee, but have yet to be implemented.

The demonstrators called on the government to cut through the red tape and immediately release some of the promised funds.

They also demanded the rescheduling of debt repayments at reduced rates of interest.

The farmers complained that the bulk of their debts to the banks consisted of interest which had reached nearly 100 per cent, in real terms, over the past two years.

Benny Gorfinkel, head of the Lower Galilee regional council, said dozens of farming settlements in Galilee and the North, as in other parts of the country, were in danger of imminent collapse.

Many families had already left the region to live in the larger towns and cities or abroad. Scores of others (Continued on Page 2, Col. 5)

Bar-Lev.

Housing Minister David Levy's plans to expand settlement in the occupied areas — by Tawfik Toubi (Democratic Front for Peace and Equality), to be replied to by Levy.

Two MKs who last week told the media they would today present urgent motions about the Lavi project in the plenum were vacillating last night, and will only make their final decision at noon today.

When asked why the ultra-Orthodox were concerned if others chose to go to movies in their own neighbourhoods, Leizeron replied with a question of his own. Why, he asked, should Kollel care so much about the night life of the non-religious and ignore the feelings of thousands of their religious counterparts who are hurt when movies are shown?

"A majority of people here keep Shabbat," he said. "And for us [screening movies] is a real offence. Non-religious people have been living here since the establishment of the state without the cinemas being open, and nothing has happened. They are an unnecessary luxury," he said.

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"Gifts, prayer and war," said Agudat Yisrael city councillor Rabbi Avraham Yosef Leizeron. "That was the approach of Ya'acov, the Patriarch. We've passed the stage of gifts [i.e. negotiation]; now we're in the stage of prayer. We hope we don't have to go to war."

Leizeron has read the reports of full houses at the four locations where movies were screened Friday night, and of Mayor Teddy Kollek's remarks that the large turnout convinced him of the need for more cultural activities on Friday nights.

"Last Shabbat was the darkest in Jerusalem since the establishment of the state," Leizeron said. "The framework that holds the city together, the status quo, was destroyed. The status quo is what makes it possible for coexistence in this city. Those responsible for changing it — and for dragging the mayor and municipal leaders with them — will also be responsible for what is liable to happen."

1987 Edinburgh Festival Production in English  
Joseph Mundy's critically acclaimed hit comedy  
"IT TURNS, IT BURNS"

Written and directed by Joseph Mundy  
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Israel Elderman (Habimah), Gideon Sheffer (Cameri), Ruth Harlap

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Sept. 18 - Kfar Sava, Auditorium; Sept. 19 - Jerusalem Theatre  
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Production office: 03-5663299, 03-52876 (for group bookings)

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## League chief calls for Saudi, Kuwaiti security

# Arab ministers split on Gulf, Mecca events

TUNIS (Reuters). — A row brewed yesterday between Arab moderates and radicals as Arab League ministers met here to discuss rising tension over the Gulf war, and the bloody incidents during the last pilgrimage to Mecca, diplomats said.

Arab League Secretary-General Cheddi Klibi advised Iran it could prevent a serious aggravation of the Gulf war if it accepted a UN call for a ceasefire.

In the Persian Gulf, tension remained high yesterday as another convoy of Kuwaiti tankers escorted by U.S. warships headed down the waterway.

Iran issued, and then amended, a report saying a helicopter carrying American newsmen had crashed. There was no independent confirmation of the report and the Defence Department in Washington denied reports of the incident.

Speaking at the opening of a special Arab League Council of Ministers, Klibi said: "Teheran can still avoid the worst, and prevent a profound aggravation of the conflict, by agreeing to cooperate seriously with the UN secretary-general."

He said Iran should comply "without delay" with last month's Security Council resolution calling for an immediate cease-fire between Iran and Iraq. Iraq says it will accept the

resolution if Iran does.

Klibi said the meeting of Arab ministers had been called to "show without ambiguity that responsibility for the security of Saudi Arabia and Kuwait is assumed by all our states, which are united."

He called for the formulation of a collective strategy capable of "ensuring that the latest Security Council resolution would be carried out."

But diplomats said a row was brewing between Arab moderates and radicals over a joint Arab position on Iran to be hammered out at the closed-door meeting, expected to continue until this morning.

Asked if he would propose that the Arabs cut ties with Teheran, Saudi Foreign Minister Prince Saud al-Faisal said Riyadh wanted the meeting to adopt a united Arab stand to confront Iran.

"What we want is a joint Arab position towards the Iranian regime. Because of its attacks on Saudi Arabian embassies and other diplomatic missions in Teheran, it is clear that the country does not recognize and does not want to apply the diplomatic rules in force," he said, going on to denounce the "terrorist" behaviour of Iran against its Arab neighbours.

Saudi Arabia, Morocco and Tunisia among the moderates have accused Teheran of fomenting violence in Mecca, where more than 400 Moslem pilgrims, including nearly 300 Iranians, were killed on July 31.

They said that Algeria, which was on good terms with both Iran and Iraq and had tried several times to mediate in the Gulf conflict, would be unwilling to take sides.

Regarding Iranian reports of a helicopter crash, a Pentagon spokesman said: "We have no report of any accident involving an American military helicopter in the Persian Gulf."

But he added: "It's a big area and there are a lot of news people over there who are not under our wing."

Iran later amended its report, that its navy had picked up five bodies from a U.S. helicopter it said crashed in the Gulf with American newsmen aboard.

A military spokesman in Teheran told Reuters that five U.S. journalists survived the crash Saturday and were rescued by "foreign forces."

He said three others were missing, believed dead.

The spokesman did not identify the rescuers.

He said he did not know the basis for the original report by the national Iranian news agency Irna that five bodies had been picked up by the Iranian navy.

## Shamir repeats 'no' to int'l parley

Prime Minister Shamir yesterday reiterated his firm opposition to an international conference for Middle East peace.

Reacting to recent statements by Egyptian Foreign Minister Esmat Abdel-Meguid in favour of such a conference, Shamir said that he hoped the Arabs, "and especially Egypt," would come to understand this, and would then recognize the need to return to "the path of direct negotiations as the only path of achieving real peace" in the region.

Abdel-Meguid yesterday sent Foreign Minister Peres a cable stating that his recent talks in Jerusalem had been "useful" and "served to focus on the urgency of achieving peace in the region and to demonstrate that an international conference is the only means available to

reach that end."

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## 'Israel warrant out against Meir Vanunu'

By DAVID HOROVITZ  
in London  
and MENACHEM SHALEV  
in Jerusalem

Israeli judicial authorities have issued a warrant for the arrest of Meir Vanunu, brother of jailed nuclear technician Mordechai Vanunu, according to reports published in three London papers and broadcast yesterday morning on Israel Radio's English language service.

The warrant was issued last week by the Petah Tikva Magistrates' Court at the request of the police. It

is believed that it was issued after Meir Vanunu's revelations of his brother's alleged abduction to Israel.

But informed legal sources speculated last night that the real purpose of the warrant was to ensure that Meir did not come to Israel during his brother's impending trial.

The trial is scheduled to open next Sunday in the Jerusalem District Court. Mordechai Vanunu's attorney, Avigdor Feldman and several foreign publications are expected to request that the part of the proceed-

ings that deal with Vanunu's motives and the general dangers of nuclear weapons be opened to the public.

Feldman is also expected to challenge the admissibility of confessions extracted from Vanunu after he arrived here last September. Feldman is expected to call eight or nine witnesses for the defence, including several well-known professors from universities abroad.

In a series of interviews with the press in London, Meir Vanunu alleged that his brother was lured out of Britain by a female Mossad agent,

drugged in Italy and returned to Israel in a cargo ship because he revealed details of Israel's Dimona nuclear weapons programme to *The Sunday Times* last year.

Meir Vanunu told *The Jerusalem Post* that he had fully expected the Israel government to seek his arrest, and that it typified the "ridiculous manner in which Israel has handled the entire affair."

He said that he did "not want to set foot in Israel for many, many years," although he had no firm plans about where he would live.

## Protest at Western Wall against movies today

By ANDY COURT  
and HERB KEINON

Tens of thousands of Orthodox and ultra-Orthodox Jews are expected to arrive at the Western Wall plaza this evening to pray against the screening of films on Shabbat in Jerusalem.

The leaders of Shas, Agudat Yisrael and the National Religious Party have called on their followers to attend the prayer meeting, which will take place at 5 p.m., on the eve of the Hebrew month of Elul. Since the purpose of the event is prayer, not politics, there will be no speeches. Participants will read Psalms and blow the shofar — which is traditionally blown every morning during Elul, the month in which Rosh Hashana falls.

Police will have extra forces on hand to control traffic and the crowd, but no violence is expected.

Nahum Solan, chairman of Mapam's Jerusalem branch, said that secular activists had no intention of counter-protesting or otherwise disturbing the prayers.

The assembly comes at a time when there is talk of religious members of the city council pulling out of Mayor Teddy Kollek's One Jerusalem coalition. Deputy Mayor Nissim Ze'ev (Shas) said yesterday that he believed a pull-out was a definite possibility, but only if the National Religious Party was prepared to leave together with Shas.

The withdrawal of Shas and the NRP from the council coalition would by no means topple Kollek's coalition. For the religious parties, however, it would be a statement of protest. "We cannot cooperate with any body that is creating a situation which might lead to civil war," said Shas councillor Avraham Cohen.

## Biblical strategy used to fight Shabbat films

By HERB KEINON  
and ANDY COURT

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Leizeron has read the reports of full houses at the four locations where movies were screened Friday night, and of Mayor Teddy Kollek's remarks that the large turnout convinced him of the need for more cultural activities on Friday nights.

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He declined to say what could happen if the prayers of those who attend this evening's mass assembly at the Western Wall are not sufficient to sway secular residents from their moviegoing ways, and the municipality from condoning them.

"We're completely against violence. But there are many means at our disposal," Leizeron said. "This is a struggle without compromise."

When asked why the ultra-Orthodox were concerned if others chose to go to movies in their own neighbourhoods, Leizeron replied with a question of his own. Why, he asked, should Kollel care so much about the night life of the non-religious and ignore the feelings of thousands of their religious counterparts who are hurt when movies are shown?

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23.8.87	MIN.	MAX.	Cloud
AMSTERDAM	15	21	70
BRUSSELS	15	20	70
FRANKFURT	15	20	70
GENOVA	15	20	70
LYONS	15	20	70
MILAN	15	20	70
MONTREAL	15	20	70
PARIS	15	20	70
ROME	15	20	70
ST. LOUIS	15	20	70
TORONTO	15	20	70
ZURICH	15	20	70

\*For the latest weather conditions contact Swissair.

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## THE WEATHER

Forecast: Above average temperatures	Yesterday's	Today's
Jerusalem	22	28
Golan	18	28
Nahariya	22	30
Safed	17	28
Haifa Port	22	31
Tiberias	29	37
Nazareth	27	30
Afula	26	32
Shimon	26	32
Tel Aviv	25	31
B-G Airport	24	31
Jericho	43	36
Gaza	65	30
Beer Sheva	34	33
Elad	20	38

## Birth

AYLON. - To Andrea and Amir, twins, Netaly and Ben, sister and brother to Tasya, on Wednesday, August 19, 1987.

## Rabin to visit W. Germany

Post Defence Reporter  
TEL AVIV. - Defence Minister Yitzhak Rabin will go to West Germany next month as guest of Manfred Wommersley, his counterpart who visited Israel last year.

Rabin's itinerary calls for meetings with the heads of Bonn's defence establishment. Israel has had extensive contacts with them and one of the projects to be discussed is the building of one submarine and parts of two others there.

The minister's itinerary also calls for a visit to the Dachau concentration camp, where a memorial service will be held, and for a tour of West Berlin.

He will also meet the president, the chancellor and leading politicians.

The defence minister will be accompanied by OIC Northern Command Aluf Yosef Peled. Peled, born in Belgium 46 years ago as Jefke Mendelovich, is the only general in active service who was born during the Nazi occupation of Europe.

## 'Israel sent arms to Ugandan rebels'

KAMPALA (AFP). - A Ugandan rebel group last June received arms and military uniforms from Israel "with the help and blessing of President Moi's government" in neighboring Kenya, The Weekly Topic newspaper claimed in its latest edition here.

The newspaper said the arms were sent to Peter Oti, Uganda's former defence minister under ousted president Milton Obote.

Oti now leads the Uganda People's Front, which he formed earlier this year in Nairobi.

The Weekly Topic said the rebels had planned to attack Soroti Airport in eastern Uganda "so that massive supplies could be flown in via Kenya."

The supplies would originate from "certain powerful elements in the U.S., Britain, Israel, Ethiopia, Kenya, Zambia and Zaire," the newspaper claimed.

"Israel, Kenya and Zambia are said to be the leading training centres for the rebels," it said.

The rebels attacked Soroti Airport on August 5 and officials in Kampala claimed that government troops had killed 21 rebels with no casualties on their side.

## 'Public not coming for Aids check-up'

People who suspect they may have Aids are not willing to be examined at any of the seven public clinics set up for this purpose, because they fear that their right to secrecy will not be honoured. Health Minister Shoshana Arbel-Almoshino told a recent meeting of the National Health Council in Sheba Hospital at Tel Hashomer.

The minister said that the Health Ministry was aware of the dilemma created by the individual's right to health and by the need to protect the health of the public. (Tun)

## HOME AND FOREIGN NEWS

# 1,000 in Soltam factory lock-in

By YA'ACOV FRIEDLER

Jerusalem Post Reporter  
HAIFA. - The 1,000 workers at the Soltam arms and munitions plant in Yokneam returned from a five-week summer vacation yesterday and locked themselves in the factory, apparently in reaction to forced labour cuts.

The Histadrut's trade union chief had earlier ruled that all but the 300 workers engaged in production for the civilian market would be on forced leave, until next January. This is intended to give Soltam's parent company, Koor, time to reorganize the large modern plant, which has no local or foreign orders for its military hardware.

Factory manager Elazar Barak

said he believed the workers' main point of contention was the pay they were to get during their enforced absence or retraining. He said Koor was willing to pay up to about 75 per cent of their wages for the interim period. Generous severance pay was also being offered to those prepared to resign or opt for early retirement. Barak said.

The head of the works committee, Yossi Zemach, on the other hand, charged ill-treatment by the management and said the workers were willing to accept the unilateral ruling. Talks aimed at resolving the issue were held last night between Koor and Soltam's management.

Meanwhile, in Tirat Carmel, on the other side of Haifa, the 119

workers of the Rom Carmel metal-working plant continued their week-long sit-in, refusing to accept the Ourdan company's dismissal notices or to obey a court order to vacate the plant.

Last night the Haifa District Labour Court granted an appeal from the Labour Council to hold a hearing on the legality of the dismissal procedures Ourdan had followed. The Labour council argued that Ourdan had violated the agreement.

Both sides were ordered to appear in court Wednesday for the hearing, but no action has yet been taken to have the workers evicted.

Jeff Black adds  
The works committee, all Herut

members, travelled to Jerusalem yesterday, where they met with Industry and Trade Minister Ariel Sharon after the weekly cabinet session.

Sharon agreed to examine within the next few days the workers' proposal to switch the factory's production lines to automobile manufacturing.

Some months ago, European investors applied to the Industry Ministry for permission to build a car factory in Kiryat Gat for the Italian firm Magnan. The Rom Carmel workers yesterday urged Sharon to approve this application, provided that the manufacturing was done at Rom Carmel instead of Kiryat Gat.

## Histadrut:

# Nissim to blame for stalled wage talks

By JEFF BLACK

For The Jerusalem Post  
Histadrut leaders yesterday lashed out at Finance Minister Moshe Nissim, saying he bore sole responsibility for the lack of progress in the public sector wage negotiations.

Trade Union Department head Haim Haberfeld told the Histadrut Central Committee that Nissim had prevented the Treasury's chief wage negotiator, Hillel Duda'i, from arriving at a common basis with the Histadrut for a collective wage deal in the public sector.

Treasury officials said they were very puzzled by the Histadrut threats, and stressed that progress had been made in talks over the last few days.

Haberfeld said the two sides had been close to achieving a basis for negotiations following the last 10 days of talks between him and Duda'i, but Nissim had refused to allow Duda'i to build on what had been achieved.

Haberfeld added that he had the impression that senior Treasury officials involved in the negotiations were disappointed with Nissim's stance.

Both Haberfeld and Histadrut Secretary-General Yisrael Kessar accused Nissim of undermining labour relations in the public sector.

Kessar pointed out that Nissim's cultured manner and quotations from traditional Jewish sources did not diminish his being responsible for any future labour unrest in the public sector.

The Histadrut has repeatedly warned that if a collective wage agreement is not signed by the beginning of next month, each individual trade union will start negotiations with its employers. This, according to Histadrut leaders, is likely to lead to strikes and other forms of industrial action within the public sector.

Such a situation, Kessar stressed, would undermine the economy's stability, and the finance minister would "only have himself to blame."

Kessar added that the Histadrut would not sign any agreement that left public sector workers in a position similar to the one they were in. The finance minister was mistaken if he thought the Histadrut would keep the workers quiet under such a situation, Kessar pledged. He added that the Histadrut would not be satisfied by a mere token salary increase.

Moreover, Kessar said, the Histadrut would not initiate any further talks with the Treasury on the issue of a collective agreement. However, Nissim and Kessar spoke by telephone yesterday and The Jerusalem Post learned that the two men may hold an "official" meeting in the Knesset today.

This afternoon, Haberfeld is scheduled to meet with the secretaries-general of the public sector unions to discuss activating an industrial campaign at the beginning of September in line with the trade unions' previous declaration of a labour dispute in the public sector.



Industry Minister Ariel Sharon slices meat during a visit to the Druse village of Beit Jann during the weekend, where he also attended a wedding of the Samir family. Looking on is his wife, Lilly, and a member of the Samir family, a captain in the reserves who is confined to a wheelchair with 100 per cent disability. (Leon Minster)

# Shabbat scuffle leads to review of religious status quo in Haifa

By YA'ACOV FRIEDLER

Jerusalem Post Reporter  
HAIFA. - The city's status quo on public religious observance will be reviewed in the wake of Friday's scuffle between religious residents and newsmen, in which two newsmen were hurt.

Police yesterday consulted with local rabbis in an effort to identify and prosecute the men responsible for the attack on newsmen. Police spokeswoman Ahuva Tomer, who witnessed the incident, said she believed she would be able to identify three of the attackers who had been attending a "pray-out" called by the city's chief rabbi. It was intended to press for stricter enforcement of the status quo.

City Hall spokesman Yossi Bar told The Jerusalem Post that while the law and the status quo arrangement specifically permit eating places, including cafes, to open on Saturdays, it was not clear whether they could place tables on the sidewalk. This would have to be studied, he said.

The religious leadership maintain that sidewalk tables, introduced after the Rehov Nordau pedestrian mall was opened last year, were a clear violation of the status quo. The tables were one of the reasons for the prayer-meeting protest, they said.

Bar, referring to other points that the religious perceive as violations of the status quo, noted that Friday night films had been sanctioned by the courts and that the Stella Maris cableway was considered a "tourism facility," and not "public transport."

and therefore did not come under the status quo ban. Moreover, the religious leadership was dealing with the cableway on the national level, he said. The Sabbath handling of passenger ships in Haifa port, another bone of contention, was outside the city's jurisdiction.

Tomer told The Post that at the pray-out on Friday the worshippers had been provoked by a man who represented himself as a photographer for Ma'ariv. He had "poked his camera" at the worshippers in a provocative manner, she said.

Ma'ariv's bureau chief in Haifa, Reuven Ben-Zvi, said that the man, Asher Zorfati, was not engaged by the paper, and that he "occasionally offers us photos, which we reject."

Tomer noted that she had taken no action to arrest Zorfati because the pray-out was a public event and there was no law against photographing it.

The question of the status quo has also come to the fore in Jerusalem. Sabbath film screenings in the capital pose a special problem for modern Orthodox, says Dr. Yehezkel Cohen, director of a religious-Zionist organization called Ne'emanai Tora Va'avoda. Ideally, he said, the atmosphere on Shabbat would be different from what it is today. No restaurants would be open and there would be no movies - "but I understand that isn't possible now, and that there must be sensitivity to what others desire as well. If both sides give up something, it might be possible to reach a sort of compromise," he said.

As a religious Zionist, he regret-

ted that secular Jews had decided to fight over this issue and not over the fact that some 20,000 ultra-Orthodox yeshiva students do not serve in the army. Here would be an area where religious Zionists and secular Jews could cooperate," he said.

Cohen said it was important not to blow up recent events in Jerusalem out of proportion. Compared to the demonstrations of the '50s and '60s, the current ones look "like nothing. We are not on the verge of a civil war," he said.

David Rosen, dean of the Shapir Jewish Heritage Centre in the Old City, said that, instead of encouraging attendance at today's prayer assembly at the Western Wall, religious leaders should remind their followers that nothing is ever gained through coercion, and that by making the non-observant feel they are under assault, the religious are alienating them further from Judaism.

But Phil Chernofsky, the associate director of the Israel Centre, associated with the American National Council of Synagogue Youth, said he would like to see more religious Zionists at the demonstrations against movies on Shabbat. "I am personally embarrassed that more religious Zionists have not been attending the demonstrations against the films," he said. "If they were there, these demonstrations would not turn violent."

"He hoped that the prayer assembly at the Western Wall would see people with 'yarmulkes of all different colours'."

# Top defence officials criticize Peres for Lavi successor idea

By JOSHUA BRILLIANT

Post Defence Reporter

TEL AVIV. - Senior officials in the defence establishment and Israel Aircraft Industries yesterday criticized Vice Premier Peres's suggestion to cancel the Lavi's production and begin planning a successor that would fly after the year 2000.

An aide to Defence Minister Rabin maintained it was far too early to plan so far ahead; and a very senior military source reportedly brushed off the idea, saying he did not understand it. Another source said the IDF hadn't even defined its needs for a plane to succeed the Lavi.

Similarly, Moshe Keret, IAI's director-general, indirectly criticized Peres's idea by maintaining that the plant was an industry and had to combine research with industrial output. A research project per se is not the desired solution, he added.

Keret, campaigning for continuation of the Lavi project, said that since IAI can produce the aircraft at an annual cost of \$450m., the gap between the money required for the Lavi and the funds that may be spent "are bridgeable." He insisted, however, that IAI could not produce the Lavi at \$350m. a year, as Prime Minister Shamir had mooted. "This is impossible without affecting the plane's capabilities and delivery dates," he said. (However, senior economists in the Prime Minister's Office, the Treasury and the De-

fence Ministry doubted that IAI could produce the plane even at a cost of \$450m. a year.)

An atmosphere of uneasiness descended over the senior IDF command as the mood in the cabinet appeared to be tilting towards supporting IAI.

Senior military sources complained that the recent developments suggested an attempt to save IAI at practically any cost. "It seems as if it doesn't matter which project is initiated as long as it ensures that IAI doesn't fail," a senior military source said.

Some IDF commanders complained they were being unfairly criticized. They believed it was Minister-without-Portfolio Yitzhak Moda'i who had told Dvora that the list of weapons the IDF considered more important to win a future war was fraudulent.

"There is increasing criticism of the weapons we think are more important, and it hurts," the source said.

The resentment is likely to be expressed this morning when Shamir visits the IDF's General Headquarters here. The meeting was planned some three weeks ago, and was not originally linked to the Lavi; but the IDF will now have an opportunity to present its case once again and to convince Shamir, who could sway the cabinet's vote.

# U.S. acknowledges Syrian stance on terror

By DAVID MAKOVSKY

Jerusalem Post Correspondent and Agence

WASHINGTON. - U.S. ambassador William Egleton will be returning shortly to Damascus, at least partly as a result of Syrian progress in curbing terrorism, Richard Murphy, assistant secretary of state for Near Eastern Affairs, said yesterday.

Murphy, appearing on NBC's Meet the Press news programme, said that Egleton's return "is a further acknowledgement of Syrian efforts over the past year to contain terrorism." Murphy said that the Syrian closing of Abu Nidal's offices prompted President Reagan to dispatch UN Ambassador Vernon Walters to meet with President Assad in Damascus last month.

There have been reports that Egleton will return to Syria on September 1, but while the White House has confirmed his return in principle, it has refused to give a date. The U.S. withdrew its ambassador last October after Syrian involvement in an aborted terror attempt against an El Al plane at Heathrow Airport came to light.

Murphy, himself a former ambassador to Syria, yesterday denied that Egleton's return was linked to the release in Beirut last week of American journalist Charles Glass. "Ambassador Egleton's return to Damascus is not related to hostage release, the release of Charles Glass, or any other aspect of hostage retention in Lebanon," Murphy said.

Murphy praised the Syrians for making "considerable efforts" on behalf of Glass, without indicating whether the Syrians played any role

in securing his freedom. He said that the Syrians felt particularly "responsible" because Glass was the first hostage taken in the city since the Syrian security forces assumed control of West Beirut in February.

Murphy was pressed on the issue of Saudi Arabia's cooperation with the U.S. in the Persian Gulf, including recent reports - denied yesterday by the Saudis - that Riyadh was quietly providing landing rights for U.S. aircraft.

Murphy responded: "None of the Persian Gulf states want to discuss

## Britain: No plans to restore ties

Britain has no evidence that Syria has abandoned terrorism and has no plans to restore diplomatic relations, a Foreign Office minister said yesterday.

Deputy Foreign Secretary Lynda Chalker said in a radio interview that Britain had no intention of following the U.S. in improving ties with Syria.

the nature of their cooperation with the U.S. Iran plays the role of intimidating those states." Murphy indicated that the Saudis would cooperate with the U.S., but will deny it publicly.

Murphy refused to confirm reports of a rumored \$1 billion arms sale to Saudi Arabia, saying "no decision has been taken." But he said that "arms supply to moderate Arab states is a long-standing commitment of the U.S., and is justified on its own."

## Fourth poison scare in past 10 days

# Health hazard averted after coastal road ammonia spill

By JONATHAN KARP

For The Jerusalem Post

TEL AVIV. - The police and fire brigade yesterday averted a potential hazard along the coastal road after a tanker leaked some 400 kilograms of poisonous ammonia, a Netanyahu police spokeswoman said. The incident was the second poison scare in as many days and the fourth in this area in the last week and a half.

The police were alerted at around 1 p.m. that a tanker travelling south past Netanya was leaking ammonia, which has poisonous vapours. Netanyahu police and firemen safely moved the tanker to a deserted road, where they sprayed the truck to cool it down and then temporarily plugged the leak.

No one was injured by the fumes,

and traffic along the highway was not interrupted during the incident, the spokeswoman said. She would not say to whom the truck belonged or what caused the leak.

On Saturday afternoon, a barrel of salicylic acid was discovered in Rehov Gilboa in Tel Aviv, the third barrel of poisonous material to appear mysteriously in the city's streets. Two days earlier, police removed a container containing methyl chloride.

The biggest scare came on August 15, when a barrel of deadly sodium cyanide was discovered in the courtyard of a Rehov Tiomkin apartment building. In that incident, hundreds of residents were evacuated from their apartments and a policeman was treated in hospital after inhaling fumes from the barrel.

## Teachers' union seeks help for 200 teenagers

By LEA LEVAVI

Jerusalem Post Reporter

TEL AVIV. - The Histadrut Teachers' Union has demanded the personal intervention of Jewish Agency treasurer Akiva Levinsky on behalf of 200 teenagers who have been turned away from youth centres for budgetary reasons.

Youth centres, supported by the Jewish Agency for about 2,000 high school dropouts, are the only educational alternative for these youngsters, explained Dov Ronen, who holds the high-school portfolio in the union, in his letter to Levinsky.

# Spanish queen attends IPO concert

Jerusalem Post Staff

Queen Sophia of Spain attended a concert of the Israel Philharmonic Orchestra during the Santander Festival and joined the capacity audience in applauding maestro Zubin Mehta and his musicians.

The daily El Pais wrote that the "the Israel Philharmonic Orchestra raised the artistic and cultural level of the Santander Festival."

The orchestra is now on its way to Austria for the Salzburg Festival, the IPO spokesman announced.

# Woman found murdered in lover's flat

By JONATHAN KARP

For The Jerusalem Post

TEL AVIV. - A 47-year-old woman was found murdered late last night in the apartment of her lover, in the Hatikva Quarter. Police found the woman, Rachel Ma'aravi, at 13 Rehov Kalman, after her lover's brother turned himself in and admitted that he had smashed her head with a stone until she died.

Police said that Ma'aravi, a resident of the Hatikva Quarter, was in the process of getting a divorce from her husband. Her lover, Shlomo Bezael, was yesterday remanded in custody for 10 days for allegedly attacking a pharmacist in the neighbourhood on Friday.

After the court session, Bezael's brother reportedly told Ma'aravi not to go to their apartment until Bezael was released from custody. Nevertheless, she visited the apartment last night, and after an argument developed, Bezael's brother struck her several times with the stone, police said.

# Gov't promises new mosque

By ELAINE RUTH FLETCHER

The government has told a group of Rahat Beduin that it will find them land to build a mosque legally, following the dismantling of their illegally built mosque over the weekend.

Ismael Kassasi, the muezzin at the mosque, confirmed that the Negev district administrator for the Interior Ministry, Shalom Danino, had promised to help his group rebuild the mosque at a meeting yesterday. But Kassasi said he would "wait

and see" until the government actually offered the Beduin a building site.

Kassasi said Danino promised to help the Beduin rebuild the mosque after the Beduin peacefully dismantled the illegally built concrete and metal structure over the weekend.

The illegal structure, erected three weeks ago to replace a shack long used for prayers, was dismantled in line with a court order last week that banned anti-government feelings in Rahat.

## BIBLICAL

(Continued from Page One)

the coalition and unite "to save Shabbat in Israel."

He said he believed it would even be possible for Agudat Yisrael and Shas to forget past differences and show solidarity over this issue. "For the sake of Shabbat all is possible."

But at a meeting of rabbis from around the city last week, MK Menahem Porush (Agudat Yisrael) implied that it was the split within Agudat Yisrael and the formation of Shas in 1983 that had led to the screenings of movies in Jerusalem on Shabbat.

## ROMANIA

(Continued from Page One)

he Ceausescu, saying that the two had agreed that the Middle East conflict must be solved through negotiation, not war.

At his meeting with Senator Breazu, Shamir said that Israel and Romania have different attitudes towards the PLO. Ceausescu "knows" our attitude to the PLO, he said. There are many Palestinians who can represent "their people" better than the PLO, which is a "professional, well-headed terrorist organization," said Shamir.

# ROADSIDE

(Continued from Page One)

would follow if government aid were not forthcoming, he declared.

"This is a serious economic and social problem of national proportions, and the government should be giving it top priority," said Gorfinkel.

"It should take precedence over the debate on the Lavi fighter project and proposals for an international peace conference."

"We are speaking about the livelihoods of thousands of people and future generations of farmers and settlers," he said.

The demonstrators demanded an urgent meeting with Prime Minister Shamir, Vice Premier Peres and the ministers of finance and agriculture. They also called for repayment of the "exorbitant" interest already paid to the banks.

Farmers' leaders expressed satisfaction with the demonstrations, saying they had made the government "sit up and take notice" without recourse to violence.

They hoped that "more drastic measures" would not be necessary and the government would fulfil its obligations.

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Ted and Kathy Weisgal, Houston, Texas, USA  
Helen Weisgal, Laguna Hills, USA



Hess may be buried tomorrow

## 93 arrested as north Bavaria bans pro-Nazi rallies, songs

WUNSIEDEL (AP). — Northern Bavarian officials yesterday banned all protest after Neo-Nazis rallied to honour former Nazi leader Rudolf Hess. Police quickly arrested five people who defied the order, bringing the week-end arrests to 93.

Wunsiedel's Lutheran pastor also barred funeral-goers from singing the Nazi-linked "Deutschland, Deutschland über Alles" refrain at the Hess services.

Hess is to be buried on tomorrow or Wednesday in this remote, northern Bavarian village 18km. from the Czech border.

Wunsiedel police spokesman Roland Weber said five Neo-Nazis were arrested for holding an outside gathering in the centre of town. The arrests came after local government officials in northern Bavaria "issued an order banning all open-air gatherings associated in any way with Hess," Weber said told the Associ-

ated Press by telephone.

The ban resulted from protests held in Wunsiedel and other northern Bavarian towns Saturday, in which Neo-Nazis wearing uniforms and swastikas chanted "Sieg Heil," (Hail to victory), a Nazi era salute. Police arrested 88 people Saturday.

The *Bild am Sonntag* newspaper said Sunday that Wunsiedel's Lutheran Pastor Peter Zeisler had rejected a request by Hess' son to have the full "Deutschland Lied" (song of Germany) sung at his father's funeral service, as requested by his father.

The song begins with the phrase "Deutschland, Deutschland über Alles" (Germany, Germany over all) and expresses territorial expansion claims adopted by Hitler's Nazis.

While the "Deutschland Lied" in its entirety is now shunned in West Germany, one section of it express-

ing the hopes for unity and justice remains the country's national anthem.

The Hamburg-based weekly *Spiegel* magazine published diary-like notes it said were written by Charles Gabel, the French prison chaplain who had visited with Hess weekly for more than nine years starting in 1977.

The notes, to appear in today's *Spiegel* were furnished early to other news media.

Gabel's notes say that Hess rejected Neo-Nazis even though they demonstrated on his behalf.

Hess called them "crazy people or provocateurs," Gabel wrote. "They're toying with a past epoch, and they're not doing me any service," he quoted Hess as saying on May 20, 1981. Gabel ended the notes calling Rudolf Hess, "my friend," the *Spiegel* said.



A group of policemen march through the cemetery at Wunsiedel where former Hitler deputy Rudolf Hess will be buried. The Bavarian police closed the cemetery after a large group of neo-Nazis staged a protest there. (Reuters telephoto)

## FOREIGN BRIEFS

### Maltese find hidden mines on PLO boat

JERUSALEM POST CORRESPONDENT  
LONDON. — Maltese police have arrested the six Arab crew members of a PLO-owned boat found anchored in Malta's Grand Harbour with two powerful limpet mines hidden under its hull. The six were carrying forged passports from Jordan and other Arab countries and are now being questioned by police in Valletta.

The Defence Ministry here confirmed that the PLO boat, the motor launch Angel, was anchored immediately adjacent to the British Navy frigate HMS Broadsword, on its way back to Britain from patrol duties in the Gulf.

### China ousts German for unmarried sex

PEKING (Reuters). — China, which bans sex between unmarried couples, has expelled a West German businessman after police burst into his hotel room in the middle of the night and caught him in bed with a Chinese woman.

"He was caught in flagrante," once source said last weekend, describing how the man ignored warnings by his Peking hotel staff not to take a Chinese woman into his room. His passport was confiscated and he was expelled within a day or so, the source said.

The fate of the woman is unknown, but Chinese residents said her likely punishment was months in a labour reform centre.

### Record high in mid-air misses over UK

LONDON (Reuters). — Near misses by aircraft in British skies soared to record levels in the last four months of 1986, the *Observer* newspaper said yesterday.

The paper, quoting a report by the joint civil-military authority that oversees air traffic control, said 57 near misses were reported in the last quarter of 1986, compared with 44 the year before.

### Turkish PM adopts defecting Bulgarian wrestler

ANKARA (Reuters). — Turkish Prime Minister Turgut Ozal has taken a defecting Bulgarian national wrestler as his adopted son, Turkish newspapers said yesterday.

And ethnic Turk Ilyas Sukruoglu, who fled his team in Canada earlier this month, arrived in Turkey on Saturday to a welcome from government officials. Turkey has already said it will grant him asylum.

Ozal adopted Naim Suleymanoglu, a world champion weightlifter, when he defected last December. He was one of four Bulgarians who defected during an international youth wrestling competition in Vancouver.

### Bangladesh flood victims move to Dacca

DACCA (AP). — Thousands of people are moving from flood-stricken areas into Bangladesh's overcrowded capital for relief and shelter, even though flooding has started to plague Dacca, officials said yesterday.

More than 40,000 flood victims, mostly from outside the capital, were already in 81 relief centres set up in the city, it was reported.

## 13 Latin America states to check peace pact compliance

CARACAS (Reuters). — Foreign ministers from 13 Latin American countries have created a commission to verify compliance with a central American peace accord, as Nicaragua said the U.S. could try to sabotage the pact.

The panel's 10 members are the foreign ministers of the Contadora group of Mexico, Venezuela, Colombia and Panama, its support group of Argentina, Brazil, Peru and Uruguay and the secretary-generals or senior representatives of the UN and the Organisation of American States (OAS).

The pact, signed two weeks ago in Guatemala City by five Central American nations, sets a three-month ceasefire deadline to end regional civil wars that have left about 100,000 people dead since 1980.

"We think everyone wants to comply," Nicaraguan Foreign Minister Miguel D'Escoto said last night. "But it remains to be seen what types of pressures the U.S. will exert on some people so they don't comply."

Under the accord, U.S. aid to Contra rebels battling Nicaragua's leftist Sandinista government must cease by November 7. But Latin American diplomats speculated Honduras, through which much U.S. Contra aid is funnelled, might be subject to U.S. pressure.

Its foreign minister, Carlos Lopez Contreras, told reporters the peace plan lacked ingredients to make it work, a position held by the U.S. He has said that Honduras would not meet one of the pact's provisions to create a reconciliation commission.

"The *Washington Post* Saturday reported that President Ronald Reagan is to express a 'resolute commitment' to promoting democracy everywhere, and will specifically pledge support to the Contras.

## Protests in 3 Baltic states on Nazi-Soviet pact anniversary

VILNIUS. — More than 500 Lithuanians sang patriotic songs and chanted "freedom, freedom" yesterday to mark the 48th anniversary of the 1939 Nazi-Soviet Pact which led to Lithuania's incorporation into the Soviet Union.

Reports from Latvia and Estonia, the other Baltic republics taken over at the same time, spoke of similar demonstrations there.

In Moscow, Soviet sources said in a telephone call from Riga that about 2,000 people had staged a demonstration at the monument to freedom in the centre of the Latvian capital. More than 100 police watched the gathering, but made no effort to disperse people and there was no sign of violence.

Tass later reported that several hundred people had gathered in the Estonian capital of Tallinn for what it described as a "propagandistic spectacle." The news agency said the demonstration had been instigated by a small group of people previously sentenced for anti-Soviet activities, along with three U.S.-financed radio stations.

Defying warnings in Lithuania's official press that their action would be considered a provocation, the Vilnius crowd gathered outside the 16th-century Saint Anne's Church in the capital's old town centre.

Some protesters wore black

armbands to commemorate Lithuanian victims of the late Soviet leader Joseph Stalin, under whom the Nazi-Soviet Pact was signed on August 23, 1939.

Other demonstrators laid flowers at a nearby statue of Adam Mickiewicz, a 19th-century Polish poet who had close ties to Lithuania and whom many Lithuanians regard as symbolizing freedom and national independence.

One Lithuanian woman addressed the crowd from the statue and demanded independence for the three Baltic republics.

"Freedom for Lithuania, Latvia and Estonia," she cried. The crowd burst into applause and chanted: "Freedom, freedom, freedom."

The demonstrators also sang patriotic and Roman Catholic songs dating from Lithuania's period as an independent state between the two world wars.

Uniformed and plain-clothes police maintained a discreet presence near the church after the demonstration began shortly before midday, but made no attempt to interfere.

Tass news agency, reporting from Vilnius, said extremists inspired by Western radio stations had staged an anti-Soviet demonstration aimed at smearing the 1940 decision to incorporate Lithuania into the Soviet Union. (Reuters AP)

## Iran blocks 'deal' to free Terry Waite

BEIRUT (Reuters). — Iran has blocked a \$5 million deal to free British Church envoy Terry Waite, kidnapped in Beirut seven months ago, a senior Lebanese militia source said yesterday.

In Paris, French Foreign Minister Jean-Bernard Raimond yesterday condemned as "abominable blackmail" a threat by Islamic Jihad Friday to take revenge on hostages in Lebanon unless conditions improved for 17 Shi'ite Muslims imprisoned in Kuwait.

In a television interview, Raimond declined to say whether France had contacted Kuwait to demand the release of the 17 Shi'ites, saying only that "we are talking all the elements into consideration."

Regarding the deal to release Waite, the Lebanese source said, "It was a business deal between elements directly in charge of Waite's captivity and a political faction in West Beirut. It fell through when the power behind Waite's seizure found out and interrupted the process," he added.

But in London, the Church of England denied that it had been negotiating a ransom deal for the release of Waite.

## Palestinians challenge court in Pakistani hijacking trial

RAWALPINDI, Pakistan. — A protest fast and a challenge to a Pakistani judge's powers delayed the start yesterday of the trial of five Palestinians accused in the hijacking of an American airliner last year in which 22 people died.

Judge Syed Mohammad Zafar Babar, sitting in the heavily-guarded Rawalpindi central jail in Punjab province, deferred until today a decision on a defence challenge to his jurisdiction to try the accused for the hijacking in Karachi, capital of Sind province.

The September 5 hijacking of the Pan Am jumbo jet ended in a gun battle in which 22 people were killed and more than 100 injured. The five Palestinians have also been charged with murder.

Four gunmen wearing Pakistani security uniforms had seized the Pan Am plane at Karachi. A fifth man was arrested later.

## Skull cap protest against Waldheim

SALZBURG (Reuters). — Two internationally renowned musicians wore Jewish skullcaps during a concert appearance at the Salzburg Festival yesterday, saying they intended the gesture as a protest against Austrian President Kurt Waldheim.

Violonist Pinchas Zukerman and

pianist and composer Marc Neikrug made no statement on stage, but said during the interval that they did not normally wear the head coverings while performing.

"But we don't normally perform in a country which has a president who was sufficiently suspect not to be allowed into our country," said Neikrug, a native of New York.

The U.S. Justice Department placed Waldheim on its "watch list" of undesirable persons following allegations by the World Jewish Congress that he was involved in war crimes.

## Falkland Islands seek more independence

By HUGH O'SHAUGHNESSY

LONDON. — Falkland Islanders, bolstered by big revenues from fishing licences, are openly saying they want increased independence from Britain, and they are showing a change of heart towards Argentina, reversing a long-time tough intransigence towards that country.

The new attitude of the 1,800 Falklanders was spelled out at the recent meeting of the UN Committee of 24 on colonialism in New York by Tony Blake, speaking for the islands' Legislative Council. Born in England and raised in New Zealand,

Blake is one of the six elected legislators who sit in Port Stanley.

In this year's annual presentation to the UN, Blake insisted on the islands' "growing international identity" and spoke of "a concerted drive for increased autonomy within the British sphere of influence." After advice from British officials, Blake modified the first draft of his speech which had contained reference to "increased independence."

Blake called for initial talks on fisheries and suggested, "arranging proper and peaceful arrangements for the environmental and commercial

control of this valuable resource." Talks would involve the Falklands, Argentina, Uruguay and possibly Chile.

Referring to the successful introduction of the Falklands fishing zone, Blake referred to a "small zone of international peace and commercial cooperation in what was previously an area of tension."

The promise of much more money from fishing licences is the immediate reason for the policy switch by the Falklanders. The islanders are keen that a stretch of ocean north of the islands which is currently not being patrolled by either the British or Argentine authorities should be made to pay.

The fishing zone which Britain has decreed round the Falklands since February and in which it charges fishing vessels for the right to operate has become an unsuspected bonanza. The squid caught there is particularly valuable. It is expected that the islands' budget which for many years before the 1982 war never went much above \$1.5 million

a year could this year reach \$45m, as the result of the fishing fees. The fees had originally not been expected to amount to more than about \$10m.

The Falklands boom has brought a host of new jobs for the tiny population of the islands where there were always too few able-bodied workers to go round.

"In the past," said Blake, "the islanders always had one and a half jobs. Today they've got two and a half or three. They're running themselves ragged."

If the fishing fees continue to roll in the prospect is that there will be government revenue of around \$20,000 for every islander. The new Falkland Islands government revenue is for the moment being spent on roads and other pieces of infrastructure and the standard of living of the islanders has not improved very noticeably, Blake foresees a change. "Soon people in the islands will be wondering why they haven't all got Rolls-Royces."

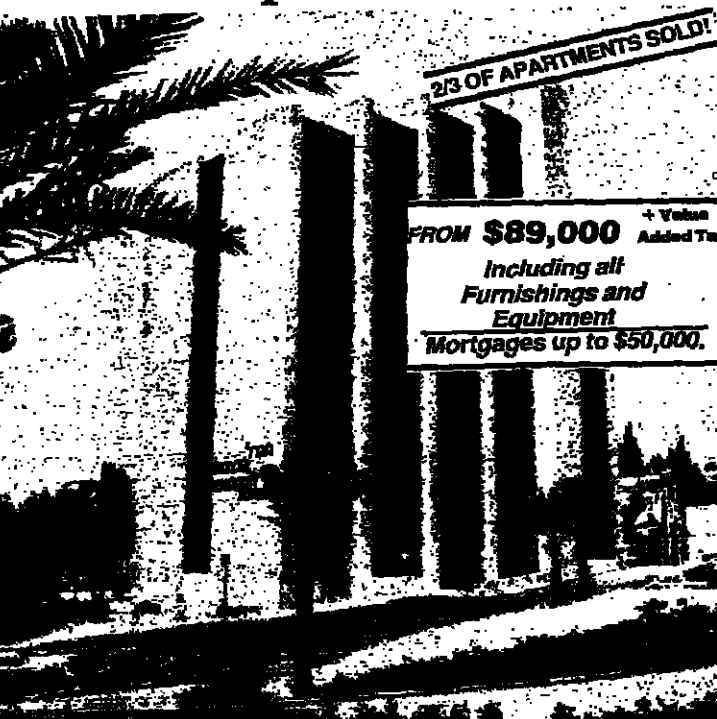
(London Observer Service)

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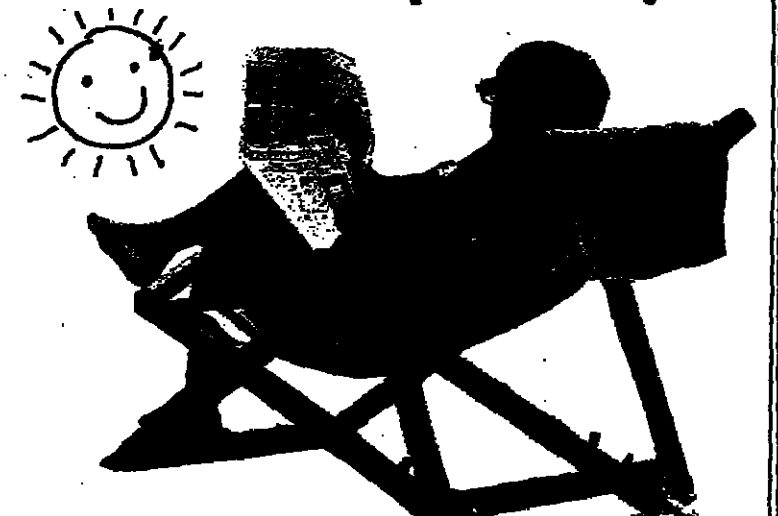
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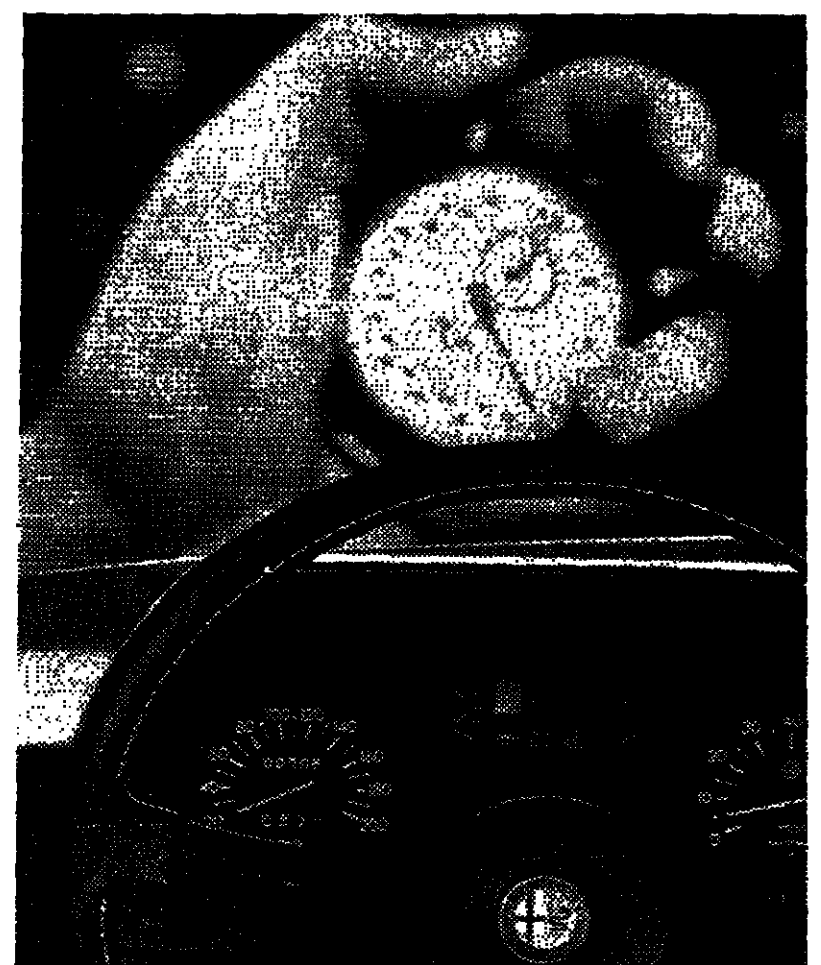
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## Contacts increased since Waldheim's visit to Vatican

## 'Catholic Church moving to heal rift with Jews'

By CHARLES HOFFMAN  
Jerusalem Post Reporter

The Catholic Church is making a "major effort" to remedy what has become a serious confrontation between the Church and the Jews over Pope John Paul II's meeting in June with Austrian President Kurt Waldheim, according to Rabbi Mordchai Waxman, chairman of the International Jewish Committee on Inter-Religious Consultations (IJCIC).

In an interview last week in Jerusalem, Waxman said that the contacts between IJCIC and the Church since the Waldheim visit had led to important developments in Jewish relations with the Vatican and with the American clergy, and to significant steps by the pope himself.

The latter include the pope's statement on Jewish suffering in the Holocaust released last week, and the meeting between American Jewish leaders and the pope scheduled for next week, in advance of his visit to the U.S.

Waxman, a Conservative rabbi from Great Neck, New York, said that IJCIC is the official channel of communication between World Jewry and the Vatican. IJCIC is an umbrella group composed of representatives of the Synagogue Council of America, the World Jewish Congress, the American Jewish Commu-

tee, B'nai B'rith International and the Israel Interfaith Committee.

"The hour-and-a-half meeting scheduled for September 1 will enable us to have a substantive discussion on a broad range of issues, including the Waldheim affair, with the pope," Waxman said. He noted that the planned meeting with Jewish leaders in Miami during the pope's visit to the U.S. was only for ceremonial purposes.

Some American Jewish organizations had called for a boycott of the Miami meeting in the wake of Waldheim's audience with the pope in June, which aroused strong Jewish and Israeli reactions due to Waldheim's reported Nazi past.

A Jewish delegation is also to meet with Church leaders in Rome on August 31. Waxman said that this constituted a "breakthrough," since for the first time a representative of the Vatican Secretariat of State would be officially involved in contacts with Jewish representatives.

Until now, he explained, the Vatican has dealt with Jewish affairs as a religious and not a political issue. These contacts have been handled through the Vatican Commission on Relations with the Jews, headed by Cardinal Johannes Willebrands.

"We have always said that this distinction made by the Church be-

tween religious and political affairs cannot apply to the Jews, and certainly not where the Holocaust or Israel are concerned," Waxman said. He stressed these points in a meeting in July with the Vatican secretary of state, Cardinal Agostino Casaroli.

Waxman felt that the meetings next week could lead to "new developments in Jewish relations with the Vatican," and expressed the hope that "we can build in the future on the involvement of the political arm of the Church" in Jewish affairs.

He said that this could have positive repercussions for Israel concerning possible recognition by the Vatican. "But I don't think that the Israeli public, or the Foreign Ministry, is paying enough attention to these developments," he said. He said that the Foreign Ministry had shown no interest in discussing next week's meetings.

Discussions with the Church in the wake of the Waldheim affair, Waxman said, had led to a greater interest among leading clergy in America in confronting issues such as the Holocaust and world Jewry's relations with Israel. The pope's statement on the Holocaust, which was released through the National Conference of Catholic Bishops, was an expression of this trend, he said. The intensified contacts with the

American clergy are important for American Jews too, he stressed. "There are some 52 million Catholics in the U.S., and you must remember that Jews abroad have to live in a Christian world."

What explanations had he heard from Church leaders for the pope's willingness to receive Waldheim?

Waxman said that the first response from Willebrands was that this was a political and not a religious matter, and that the Vatican does not believe that Waldheim's involvement in war crimes has been proven. And even if it could be proven, another Church official added, the pope would still have acted out of a Christian sense of forgiveness.

He said that Casaroli repeated the contention that this was a political matter, and that the pope's meeting with the head of state of a Catholic country was not exceptional. But Casaroli added that the meeting was held only after Waldheim had made three requests for it.

Walter Ruby adds from New York: Nobel Peace Prize-winner Elie Wiesel has postponed plans to travel to Rome to meet Pope John Paul II this week. Wiesel changed his plans after IJCIC members who are to meet the pope on September 1 complained to Wiesel that he was upstaging them.

In a statement released Friday,

before Wiesel left for a vacation in Europe, he said. "When news of my invitation to the Vatican reached members of Jewish groups that had asked to meet the pope, some of them requested that I postpone my visit to Rome. Since they represent various Jewish organizations, and I represent no one, I chose not to create the impression that I am interfering with their plans, and thus inform the Vatican of my wish that my visit be rescheduled for a later time."

IJCIC officials declined to comment publicly Friday on the Wiesel matter, but one organization-head making the trip to Rome said, "Elie Wiesel has made a fantastic and beautiful gesture in deciding for the sake of the Jewish community not to go to the pope until after the delegation has." He denied the delegation had pressured Wiesel to change his mind, stating, "No, this was a grasping on his part."

Another senior community leader reacted a little differently: "Elie Wiesel is a gentleman. He saw the outrageous comments [by IJCIC members] almost begging him not to go, and realized that the substantive issues he wanted to discuss with the pope would be lost due to the petty behavior of so-called Jewish leaders. Elie Wiesel is the true Jewish leader."

## Zionist groups clash over sole delegate to December Congress

By WALTER RUBY  
Jerusalem Post Correspondent

NEW YORK. — A dispute has broken out between the American Zionist Federation (AZF) and an election slate known as the Independent Students for Israel (ISI) concerning whether the AZF's tribunal restored to ISI the one mandate it appeared to win in elections earlier this summer for the American delegation to the World Zionist Congress in December.

The mandate was taken away from ISI in July following charges that the student group violated election rules.

ISI is contending that the Zionist Tribunal, composed of lawyers representing each of the American Zionist organizations, voted 4-3 on August 6 to return the students' mandate. However, the AZF says it is unaware that any final decision was reached on the question at the August 6 meeting, and says it now has new evidence proving that the ISI slate broke the rules during the elections and should not have its mandate returned. The ISI has been requested to appear before the tribunal again tomorrow for another examination of its case.

ISI lost its one seat when the election results were announced in early July, because Equifax, an independent auditing firm hired by the AZF to monitor the balloting, disqualified all of the more than 1,000 votes received by ISI. The grounds were that the student list had no evidence to show that its voters had paid dues to a Zionist organization as required by election rules adopted by AZF's Area Election Committee (an election monitoring group also composed of representatives from each of the Zionist bodies).

Also penalized for alleged infrac-

tions of the rules in registering members to vote in the elections was the pro-Mapam Americans for a Progressive Israel (API), which had three of its four mandates taken away, and the Religious Zionists of America (RZA), representing mainstream Orthodox, which lost 13 of the 27 seats it won.

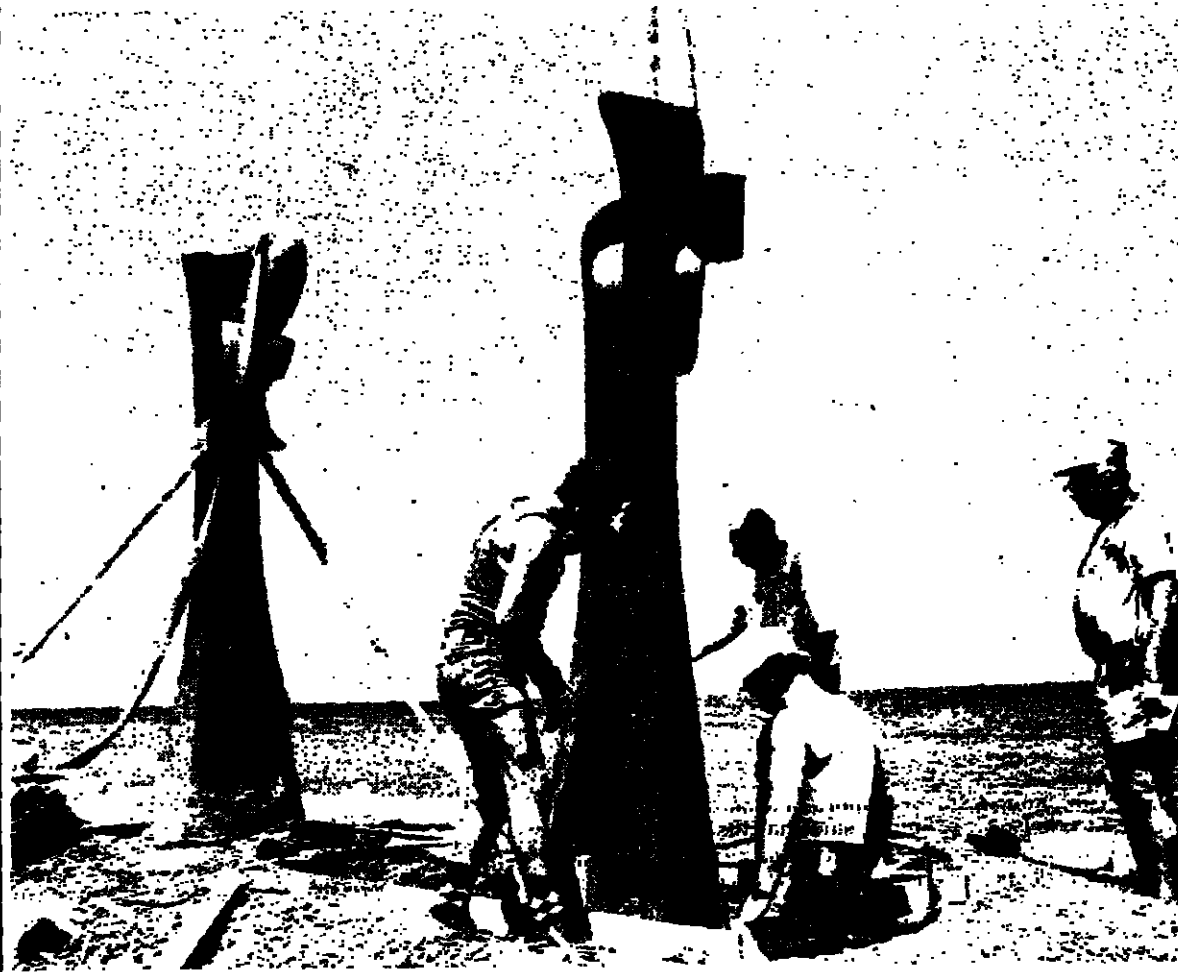
Both ISI and API appealed the penalties to the tribunal and promised to appeal to the Zionist Court in Jerusalem if they lose their appeals here. The RZA has declined to take its appeal to the Zionist Tribunal, threatening to take the AZF to a U.S. court instead.

ISI is an outgrowth of another group, the Zionist Students' Movement (ZSM), which, as a division of the University Services Department of the WZO, was barred from participating in the elections. Reportedly encouraged to run in the Zionist elections by WZO chief Arye Dulin and other WZO officials, the top leaders of ZSM formed a new organization, the ISI.

According to ZSM and ISI director Lisa Kohan, "While we received encouragement to run from Israel, there was strong opposition from within the American Zionist movement. Despite their rhetoric about wanting student participation, they did whatever they could to prevent us from being represented at the World Zionist Congress."

The student list was shaken in June, when some members of the list anonymously contacted the press and charged that the ZSM had taken funds earmarked to promote student aliyah and used them to pay for the ISI election campaign.

Kohan has denied that any ZSM funds were used by the ISI, which, she has stressed, is a completely separate organization.



Sculptor Ladis Schwartz (right) supervises the placing of his work on the Bat Galim seashore yesterday. (Eila Egert)

## Monument to German Jewish aliyah

By YA'ACOV FRIEDLER  
Jerusalem Post Reporter

HAIFA. — A monumental twin bronze sculptural unit to commemorate the immigration of German Jews and their contribution to the building of Israel was set up on the Bat Galim seashore last week.

Created by German-Jewish sculptor Ladis Schwartz, the 1,000 kilogram, 3.4 metre-high twin sculptures were donated to the city of Haifa,

with the support of the West German government.

Schwartz, 67, who spent a week here to supervise the erecting of the sculptures, told *The Jerusalem Post* that he had incorporated elements of the Hebrew letters *dalet* and *het* in the rhomboidal work to symbolize *dalet* (door) and *het* (room). These two symbols recall that the Jews fleeing the Nazis found a door here into a new room in this country.

The two parts of the work, representing the gateway that Haifa had been for immigrants, can also suggest trees and symbolize the striking of roots in a new country.

The sculptural unit, called "Aliyah," is one of five works to be placed in open-air sites in Haifa during the coming year, city councilor Yona Yahav told *The Post*. The other four will be by Israeli artists.

## WJC: Austrian investigation into Waldheim a fraud

NEW YORK (JTA). — The World Jewish Congress has denounced an Austrian commission created last June to investigate President Kurt Waldheim's past as a "fraud," and a "whitewash."

The WJC indictment on Sunday followed its discovery that Manfred Ruachensteiner, who is to coordinate the inquiry, told the Austrian magazine *Profil* last year that Alexander Loehr, a commander of Nazi forces in the Balkans and Waldheim's superior, was an "example [who] deserves to be followed."

Loehr, founder of the Austrian Air Force and commander of German Army Group E during the occupation, was hanged by Yugoslavia for war crimes in 1947. Waldheim served under him as a senior intelligence officer at the headquarters of the high command in the Balkans in 1942-45.

Austria announced the creation of an "international commission" in June headed by Swiss historian Rudolf Kurz to examine Waldheim's past. The commission is scheduled to begin work in September. The WJC has also learned that the Austrian

government will pay the full cost of the inquiry.

An article that appeared in *Profil* in 1986 launched the probes into Waldheim's wartime service which led to the revelation by the WJC that the UN Crimes Commission charged Waldheim with war crimes, including "murder" and "putting hostages to death."

The *Profil* article described a controversy over Austrian Air Force cadets planning a memorial plaque for Loehr. The article mentioned that Waldheim served under Loehr, and this sparked the WJC investigation.

In the *Profil* interview which appeared in January, 1986, Ruachensteiner defended the plaque for Loehr. He told *Profil* that Loehr possessed superior military capabilities and was never a formal member of the Nazi Party.

"If Ruachensteiner — who will write the commission's report — has already whitewashed the war criminal Loehr, can there be any doubt he intends to do the same with respect to Kurt Waldheim?" the WJC statement said.

## West Bank drug abuse rising, pharmacists say

By JOEL GREENBERG

Drug abuse in the West Bank is on the rise, according to pharmacists from the area who held a one-day conference on the subject in Jerusalem last week.

Pharmacists from a number of towns said that in the last 10 to 20 years they had noticed an increasing number of young men trying to obtain stimulants and depressants, such as tranquilizers. Many of the youths used forged prescriptions, or bribed doctors for prescriptions, they said.

One Nabulus pharmacist told *The Jerusalem Post* that demands by addicts for drugs had sometimes led to violent incidents in pharmacies, and to drug-related crime on the streets. He said that some addicts could be seen in city parks, where

empty syringes had been found, and that other addicts carrying knives had required treatment for self-inflicted wounds.

The pharmacists attribute the growth in drug abuse in the West Bank to the influence of Western society.

Some cited unemployment and drug experimentation while working in Israel as additional causes of the phenomenon. Many addicts are teenagers from refugee camps, a Ramallah pharmacist said.

At the conference, the West Bank Pharmacists' Association decided to launch an educational campaign in schools and colleges to warn against the dangers of drug abuse. The conference also decided to set up a committee to establish a community drug-treatment centre.

## No ban here on termite killer despite U.S. cancer fears

Post Science and Health Reporter

The Health Ministry is not ready to ban the import and use of chlordane, a popular termite killer believed by the U.S. Environmental Protection Agency (EPA) to increase the risk of cancer. The ministry says it follows the recommendations of the UN-affiliated World Health Organization (WHO) and does not set policy solely on the basis of EPA standards.

Last week's *Time* magazine reported that the EPA had persuaded Velsicol Chemical Corporation, the sole manufacturer of chlordane, to suspend production of the country's number-one termite killer. The commercial name of the pesticide is Termide, and it is used in about a million American homes annually to kill the wood-eating pests. Velsicol

disputed the EPA's claim that the chemicals are carcinogenic.

The manufacturer hopes to persuade the EPA that Termide can be safely applied.

Dr. Yosef Marzouk, director of the ministry's institute for supervision over medical materials, told *The Jerusalem Post* that chlordane is the prime pesticide used to kill termites here. While less of a problem than in America because of the less frequent use of wood in construction, termites are nonetheless a menace here, too. He did not know how much chlordane is imported into Israel, but said that it should be applied using special gloves and a face mask.

But since Israel follows recommendations of the WHO, and not solely those issued by the EPA, chlordane will not be banned here "until the WHO changes its policy."

## TODAY'S ENTERTAINMENT

## TELEVISION

## EDUCATIONAL TV

8:00 Telecast 9:05 Keep Fit 9:15 David, the Gnome (repeat) 9:40 The Hunt 10:00 Barriers (part 12) 10:30 Telecast (part 3) 11:20 Dance — The Tempest, based on the play by Shakespeare, music by Tchaikovsky 14:00 Telecast 14:05 The Amateur Naturalist (part 8) 14:30 Making Magic 15:00 Family Programs 15:40 Telecast 15:45 Keep Fit 16:00 This Is It — live magazine 17:00 A New Evening — live magazine

## ISRAELI TV

## CHILDREN'S PROGRAMMES

17:30 The Care Bears 17:55 Youth Concert — Tchaikovsky: Roccoco Variations

## ARABIC LANGUAGE PROGRAMMES

18:30 News roundup 18:32 Programme Trailer 18:35 Sports 19:30 News

## HEBREW PROGRAMMES resume at

20:00 with a news roundup

20:02 The Citadel. Final episode of a 10-part serial

21:00 Mahab Nefaral

21:35 Family Ties — American comedy series

21:38 This is the Time

22:00 Miami Vice — American detective series

23:35 News

## ISRAELI TV CHANNEL 2

18:00 Till Pop 19:30 Demjanjuk Trial Roundup 20:00 Allegro 21:00 Pop

## JORDAN TV (unofficial)

17:30 Cartoons 18:00 French Hour 19:30 News in Hebrew 20:00 News in Arabic 20:30 Throb 21:10 Musulin 22:00 News in English 22:20 To Be announced 23:00 Love Boat

## MIDDLE EAST TV

13:30 Another Life 14:00 700 Club 14:30 Shape-Up 15:00 Afternoon Concerts for Children 16:30 Hupnot Babies 17:00 Super Bowl 17:30 Fraggles 18:00 Happy Days 18:30 Lovers & Shirley 19:00 News 20:00 Magnum 21:00 Movie: Sabrina 23:00 700 Club 23:30 Another Life

## RADIO

## VOICE OF MUSIC

6:01 Morning Melodies 7:08 Chrysalis: "Anacron" Overture; Rodgers: Pastoral Concerto for Flute and Orchestra (Salome); Beethoven: Sonata for 2 Clarinets, 2 Horns and 2 Bassoons; Purcell: Chaconne for Strings (English Chamber); Brahms: Brahms' Piano Concerto No. 2 (Ashkenazy, Philadelphia Orchestra); 9:00 Mozart: String Quartet No. 21 (Ludwig); Dvorak: Piano Concerto in D Minor (Bernstein); 10:00 Saint-Saëns: Piano Trio No. 1; Debussy: Sonatas for Orchestra (Boston); 12:00 Scarlatti: Sonatas for Flute, 2 Violins and Continuo; Mozart: Variations on the French Song (Heubler); 13:00 Scarlatti: Piano Sonata in D Minor (Hornbaker); 14:00 Scarlatti: Piano Sonata in A (Hornbaker); 15:00 Scarlatti: Piano Sonata in A (Hornbaker); 16:00 Scarlatti: Piano Sonata in A (Hornbaker); 17:00 Scarlatti: Piano Sonata in A (Hornbaker); 18:00 Scarlatti: Piano Sonata in A (Hornbaker); 19:00 Scarlatti: Piano Sonata in A (Hornbaker); 20:00 Scarlatti: Piano Sonata in A (Hornbaker); 21:00 Scarlatti: Piano Sonata in A (Hornbaker); 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# Risky Initiative

## Leaders in Central America Step Toward Brink of Peace

By STEPHEN KINZER

**A** FEW hours after signing their peace accord in Guatemala, the presidents of five Central American nations attended a Roman Catholic mass of thanksgiving. Archbishop Próspero Penados del Barrio of Guatemala ignored the congregation and directly confronted the five leaders sitting in the front row. "Your own names, not just those of your governments and your epoch, are going to be remembered," he told them. "You will either be corrupt tyrants who betrayed the people who believed in you, or heroes who brought our isthmus out of its misery and suffering and placed it on the path to true freedom and peace."

Costa Rican President Oscar Arias Sánchez, the principal author of the peace plan, returned home to a jubilant welcome. "If today we see hope, there are still a thousand obstacles before us," he warned. "We scaled one peak only to see another higher one. And we know that beyond that one there will be another and another."

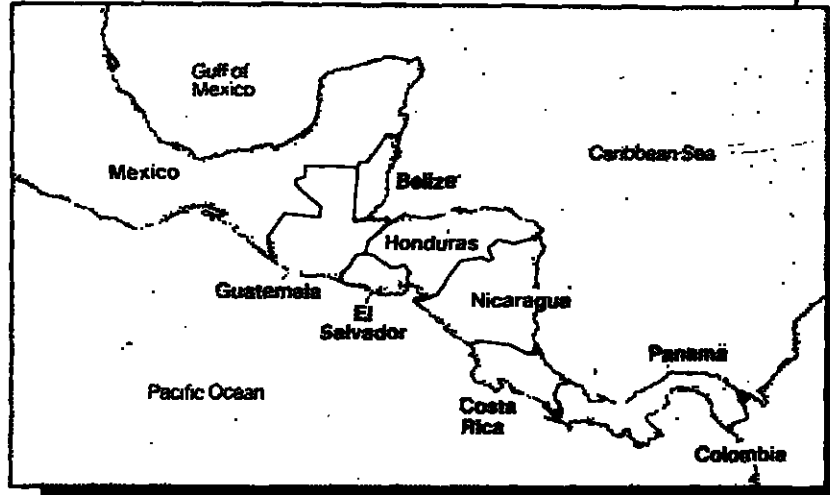
The sudden possibility, however remote, that peace might break out in Central America has caught nearly everyone, including the five leaders themselves, quite by surprise. Since the Aug. 7 signing of the accord in Guatemala, the five countries have been cautiously moving toward fulfilling its sweeping provisions, which are to take effect Nov. 7. But because so many peace efforts have collapsed before, and because the Reagan Administration has expressed serious reservations about the new plan, no one would say that Mr. Arias was overstating the difficulty of the path ahead.

The five Central American foreign ministers met last week in El Salvador to establish procedures to deal with details of the accord. Honduras reportedly delayed progress at this meeting, and the ministers were to continue their discussions over the weekend in Venezuela, where they met with officials of the so-called Contadora group of negotiating nations.

"We cannot take one step back, not one step," the Salvadoran Foreign Minister, Ricardo Acevedo Peralta, said as he opened the session. By Nov. 7, each Central American country must lift restrictions on dissent, issue a political amnesty, end press censorship and agree to hold elections under international observation. Each must also negotiate a cease-fire with rebel groups and forbid the use of its territory by guerrilla groups seeking to overthrow governments in other countries.

In Nicaragua, for which the accord was principally written, Sandinista leaders said they are willing to decree full political and press freedom by Nov. 7 if the United States responds to the "vehement exhortation," in the words of the agreement, for outside countries to stop aiding insurgent groups. But President Reagan and Secretary of Defense Caspar W. Weinberger have expressed their reluctance to cut off aid to the Nicaraguan contras, and there were indications that the President may soon ask Congress to approve new aid for them. Contra leaders pledged on Friday to accept the treaty, but said they were not ready to disarm.

As a sign of good faith, Nicaragua dropped its case against Costa Rica in the World Court, where it had accused the country of tolerating contra bases, and sus-



pected a similar complaint against Honduras for 90 days. But any improvement resulting from those gestures was quickly dissipated when the police in Managua used cattle prods to break up an opposition protest, arresting and jailing two prominent critics of the Government. Opposition leaders said they planned to call more anti-Government demonstrations to test Managua's commitment to the accord.

There was speculation that Interior Minister Tomás Borge, who has opposed agreements that would force Nicaragua to accept internal changes, had ordered the police action as a way of asserting his views within the Sandinista leadership.

And when the Nicaraguan leader, Daniel Ortega Saavedra, flew to Havana for consultations with Fidel Castro, diplomats suggested that he might be asking Mr. Castro's help in convincing recalcitrant Sandinista colleagues.

### The Daunting Challenge

The peace accord does not seem to apply to El Salvador as neatly as it does to Nicaragua. "They made a suit for one person and are trying to make someone else wear it," complained Rubén Zamora, a spokesman for Salvadoran rebels. Mr. Zamora said that his leftist coalition and the anti-Communist Nicaraguan contras are in a comparable position under the new accord. "The agreement definitely favors the interests of established governments," he said, "because it gives them an implicit legitimacy while requiring that rebel forces submit to a cease-fire."

Negotiating cease-fires in El Salvador and Nicaragua before Nov. 7 is perhaps the most daunting challenge facing the new peace process. The warring parties in the El Salvador conflict are tentatively scheduled to meet for talks Sept. 15, but even that first step seems far away in Nicaragua, where the Sandinista Government has vowed never to negotiate with the contras, insisting that it will talk only with the United States.

In Costa Rica, President Arias said the peace accord was intended "to change a history of oppression to one of freedom." Some of his associates were even saying that he should be awarded a Nobel Peace Prize.

"Speaking realistically," a university professor said, "for the peace plan to be adopted, there has to be some bolt of lightning like that."

### One Agreement, Five Agendas

#### NICARAGUA

**Daniel Ortega Saavedra:** Leads a country debilitated by war and economic crisis. . . . Heavily dependent on military and economic aid from the Soviet bloc. . . . He has said he will accept changes in the Nicaraguan political system if the United States cuts off aid to contra guerrillas.

#### COSTA RICA

**Oscar Arias Sánchez:** Principal author of the peace plan. . . . Polls show that Costa Ricans are anti-Sandinista, but even more strongly anti-war. Their country has no army, and they fear that unless the Sandinistas are restrained by treaty, Costa Rica could ultimately fall under Nicaraguan influence.

#### EL SALVADOR

**José Napoleón Duarte:** A firm ally of the United States. . . . Believes the agreement strongly favors him because in effect it urges Salvadoran rebels to join the existing political process, by participating in free elections, while cutting them off from their backers in Cuba and Nicaragua.

#### HONDURAS

**José Azcona Hoyo:** The silent partner. . . . By all accounts, he was surprisingly supportive of the accord as it was being negotiated. But last week Honduras impeded the creation of committees to implement the treaty, possibly fearing that this might uncover contra bases in Honduras. Honduras last week reiterated its denial that such bases exist, but their existence has been confirmed by diplomats and journalists. Honduras wants its border with Nicaragua pacified, but also wants assurances that the United States will help resettle the thousands of contras and other refugees.

#### GUATEMALA

**Marco Vinicio Cerezo Arévalo:** Host of the summit where the accord was signed. . . . Has pursued a foreign policy of what he calls "active neutrality" that has sometimes irritated the United States. . . . Wants to negotiate with Guatemalan rebels, who have been fighting for more than 25 years, but only if they disarm. . . . As is the case with Mr. Duarte and Mr. Azcona, his freedom to maneuver is limited by a powerful army.



Drawings by Harry Pincus

### A Visit From Mother Teresa and the Patriarch

## The Kremlin Seeks a New Kind of Coexistence With Religion

By BILL KELLER



A nun at a Russian Orthodox convent in Estonia.

**O**N Sunday afternoons, the crowds often line up for two hours to get into the Museum of the History of Religion and Atheism, a peculiarly Soviet tourist attraction located in a profaned cathedral on Nevsky Prospekt, the city's main boulevard. Inside, the view of religion is cold, secular and official. The primitive spiritual yearnings of Neanderthal man are given equal billing with Judaism. Display cases highlight the perfidy of Christian clerics who collaborated with the czars and the Nazis. Some Russians shudder when they recall, a decade or two later, being taken by parents on a visit to the basement display of Inquisition torture devices, a room now closed for renovation.

The museum's title, like the Soviet Constitution, is nominally evenhanded on matters of personal faith, but the governing sentiment screams out in bold red and black letters from a 1918 antireligious poster on display: "The sooner workers and peasants are freed from the influence of religion and the church, the sooner they will be able to reconstruct the world." Increasingly, however, Soviet officials have begun to admit that they may be losing the battle against religion.

The visits last week of two prominent religious figures, Mother Teresa and Patriarch Dimitrios of the Greek Orthodox Church, were the latest signs that Soviet authorities may be searching for a more cordial form of coexistence with the unavoidable.

Lenin may have picked the wrong people to indoctrinate with a dispassionate, scientific view of man's place in the universe. Russia has a tradition of the spirit, ranging from the great masses of the faithful bent in quiet prayer to the contemporary fascination with horoscopes.

Especially in the past decade or so, with the idealism of the 1917 revolution and World War II now diminished, a religious revival has grown up to fill the ideological void. Igor M. Ilinsky, a researcher for the Young Communists League, recently published the results of a poll of young people that detected a growing fascination, especially among the well-educated, with religious literature and services.

Likewise, newspapers from the Soviet Central Asian republics periodically lament Islam's resurgence, which alarms Soviet leaders even more because of the threat of Islamic radicalism.

Mikhail S. Gorbachev has had little to say on the subject of religion, except for the obligatory official calls to strengthen "atheist propaganda." But since he took power, signs of greater tolerance have caused faint stirrings of hope among some believers.

The Rev. Gleb Yakunin, a Russian Orthodox priest banned from his office by the church and imprisoned for protesting restrictions on religion, was recently reinstated and given a parish in Shcholkovo, a small town near Moscow. After his reinstatement, he organized a press conference to express the hope that Mr. Gorbachev would widen religious freedoms. Two Moscow bishops then held a press conference to rebuke him for talking to Western reporters, a reminder that the Russian Orthodox Church, which made its bargain with power under the czars, is still answerable to the Government.

The arrival of Mother Teresa, the missionary from the slums of Calcutta, was intriguing because of her interest in opening one of her order's homes near the site of the Chernobyl nuclear accident in the Ukraine. Soviet law bars churches from charitable work, and any relaxation would be read by believers as an encouraging sign.

Access to religious material has eased somewhat. The Government has promised to publish more Bibles, and foreign religious groups have been permitted to bring in shipments of Bibles and prayer books for Christian and Jewish congregations.

### Restoring Churches and Mosques

Last December, the poet Yevgeny Yevtushenko called for publication of the Bible and Koran on grounds that readers cannot appreciate the works of Tolstoy and Dostoyevsky if they do not understand the spiritual content. Religious themes and imagery figure in several recently released films and novels.

The Soviet Government has also stepped up efforts to restore the nation's churches and mosques viewed as cultural showcases, though believers say a congregation that tries to open a place of worship in the provinces has little hope of success. A few young Jews have been promised permission to leave the

country for rabbinical studies.

Though some areas of the Criminal Code are being revised to increase civil rights, church officials and legal authorities say there is no plan to revise restrictions on cults. These laws forbid activity by any congregation until it is registered with the state, and prohibit teaching religion to children outside the family. Amnesty International lists about 130 prisoners serving time under these statutes, the largest group being members of unregistered Baptist congregations.

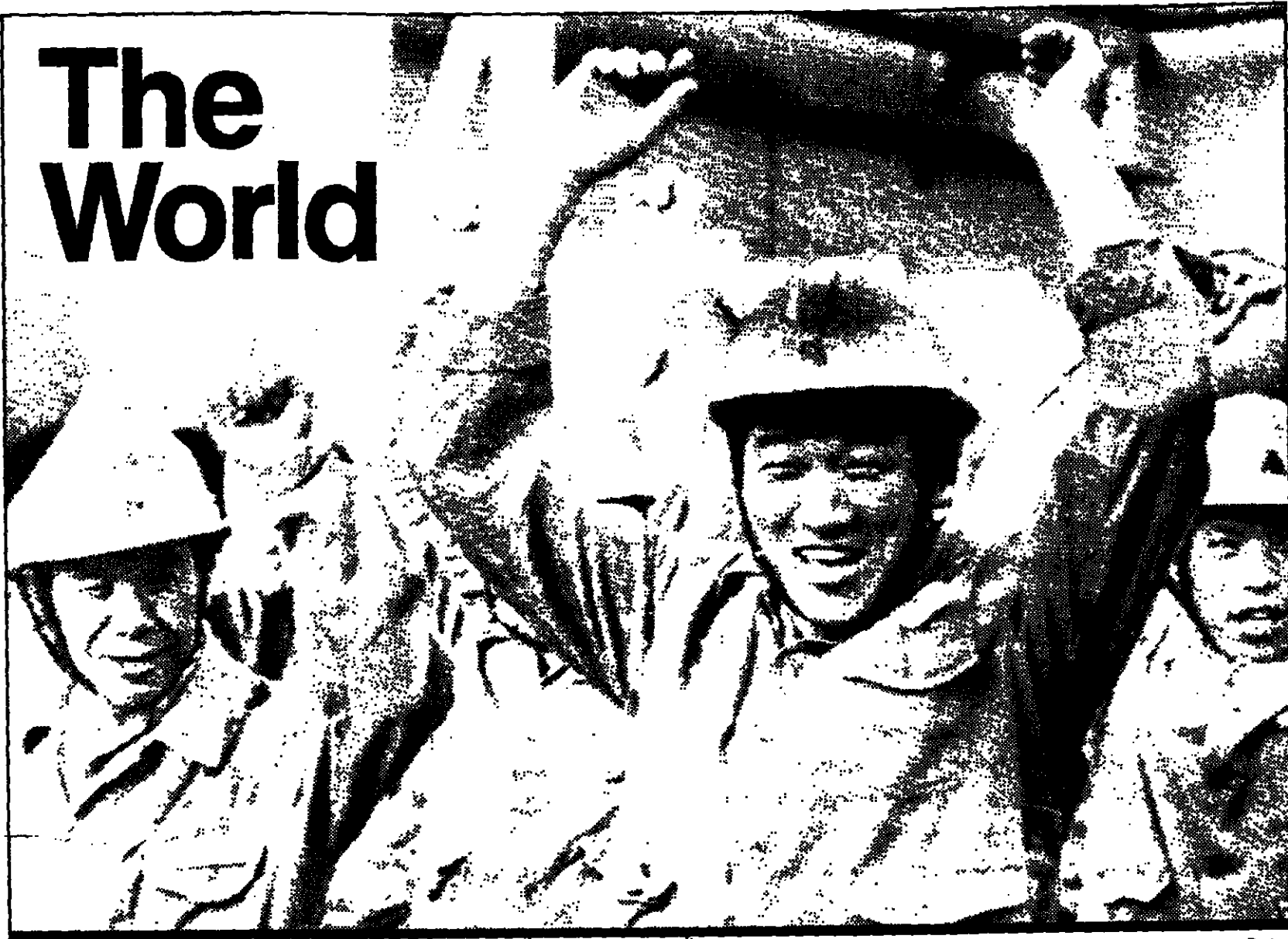
Most important, faith remains an obstacle to advancement. Only professed atheists may join the Communist Party, and without a party card a Soviet citizen has almost no chance at senior jobs in Government, the military and the police, education or journalism. Religion as a cultural relic or a personal consolation is tolerated. But religion as a competing ideology is forbidden.

The optimistic among Christians hope that the climate will improve with the approach of the 1,000th anniversary of the "baptism of Russia," when Grand Prince Vladimir accepted Christianity from Constantinople in 988. This could well be the occasion for gestures that would win Mr. Gorbachev political dividends in the West. The visits of Mother Teresa and Patriarch Dimitrios, the first Greek Patriarch to come to Moscow in nearly 400 years, were clearly aimed at improving Moscow's image. If the Patriarch's meetings eventually lead to a reconciliation of the Greek and Russian Orthodox Churches, that would add historic luster to the occasion.

One persistent rumor is that the Soviet leadership wants to mark the millennium with a visit by Pope John Paul II, although the obstacles are formidable. The Pope would almost certainly feel obliged to visit the large Catholic community in Lithuania, and the Kremlin would almost certainly refuse him because the Vatican does not recognize Soviet sovereignty in that republic.

Konstantin M. Kharchev, chairman of the state Council for Religious Affairs, said officials decided not to invite the Pope to attend the 800th anniversary of Christianity in Lithuania last month, explaining, "Is it possible to invite a person to be a guest in your home if he does not recognize you to be the master of the house?"

# The World



Workers cheering their return to work at a Hyundai shipyard in Ulsan, South Korea, after labor dispute ended.

## South Korea's Economy Facing Maturity Pangs

By SUSAN CHIRA

SEOUL, South Korea — UNTIL last week, tens of thousands of people in the industrial city of Ulsan could be seen every morning heading for work at the giant Hyundai conglomerate. When 40,000 of them marched in protest through the streets instead, it was a sure sign that South Korea is no longer the country it was.

The protest at Hyundai is over now, following Government intervention on the side of the strikers. Workers at another shipyard battled police yesterday and one worker was killed. At the shipyards, and in hundreds of other labor disputes across the country, South Korean workers are making it clear that they want a share in the prosperity they helped to create.

By doing so, they are changing the rules that have guided the thriving economy. Manufacturing wages, now \$1.41 an hour on average, will have to rise, and with the increases will come new challenges to the nation's international competitiveness. Inexorably, analysts in Seoul predict, South Korea will have to reduce the role of industries that rely primarily on low labor costs.

"You're seeing Korea slowly, and it may be painful at first, moving away from an assembly-line economy to a more sophisticated economy," said Scott E. Kalb, who runs the Seoul office of James Capel & Company, a British investment bank.

This may mean that South Korea would no longer be as competitive a producer of textiles and footwear, and that its exporters would probably have to raise prices of cars, video cassette recorders and other products. Employers would have to pay more attention to production efficien-

cy, automation and inventory control — methods Japan has had to use to retain its competitive edge despite rising wages. The economy as a whole would shift, as Japan's has, from labor-intensive industries to ones in which the skill of the worker and the technological level of the product are more important.

For seven years, the South Korean Government has deliberately held down wage increases in an effort to beat the inflation that almost crippled the economy in the late 1970's. According to the Ministry of Labor, real wages in manufacturing jobs grew 21.5 percent in 1977. Since 1980, however, annual wage increases have been held to 10 percent, adjusted for inflation, while productivity has risen at an average rate of 11 percent; the economy grew 12.5 percent last year.

"With wages increasing somewhat faster than we originally expected, this will have the effect of facilitating the transformation of Korea's economic structure into a more skill-intensive one," said Dr. Koo Bohn Young, a senior official of the Economic Planning Board.

### Dire Predictions

To some extent, the shift has already begun. In the overall export picture, textiles and footwear have been losing ground, relatively, while automobiles and electronics have increased their share. There is disagreement over how painful further shifts will be. The most dire predictions come from the Korea Development Institute, a Government-run research center. The institute has suggested that if wages are raised an additional 5 or 6 percent this year as a result of labor unrest, unemployment will rise and economic growth will slow. According to the institute, unemployment could increase from 3.4 percent now to 5.5 percent next year, and the gross na-

tional product could grow only 5 percent next year, instead of a projected 8.5 percent.

But Dr. Koo believes the increase in unemployment may be less drastic because of declining numbers of teen-agers and fewer people leaving the farms for the factories. He said the number of people entering the work force each year will decline, from about 500,000 now to 370,000 within five years.

Most analysts believe prices of Korean goods will go up but that they will still undersell many of their competitors in Japan and the United States who, after all, will also be raising wages. Although the cost gap may be narrowed, Dr. Koo does not think the wage increases will wreak the kind of havoc in Korea that Japan is experiencing with the sudden and sharp rise in the yen's value against the dollar. And Mr. Kalb estimates that higher wages resulting from recent labor unrest may force price increases of 5 to 6 percent — not, he said, a "make or break" rise.

If so, South Korea should continue to register a trade surplus with the United States, an amount that is running at an annual rate of nearly \$9 billion. Korean goods are competitive not only because of low prices, but also because of the hard-working labor force, which produces high-quality goods, Dr. Koo said. "Some of the people who argue that low wage rates have been an unfair advantage on the Korean side will be disappointed," Dr. Koo said.

Moreover, labor unrest may strengthen the South Korean economy in the long run by improving relations between management and labor. "The most basic thing is not wages, but whether labor and management will be able to develop a healthy and mutually trusting relationship in the future," Dr. Koo said. "If they do, labor costs will not be so much of a problem."

There is little doubt, however, that some parts of the economy will suffer. The first to lose jobs may be the young women who work for the lowest wages and in the worst conditions — the textile, garment and footwear workers.

"Those who continue to work will be all right, because they will get higher wages, but some will be let go," Mr. Kalb said. "Korea is not a country which should have women working 70-hour weeks for less than \$200 a month."

## Trade Leverage Falls

# Arabs' Boycott of Israel Is Alive, but Hardly Flourishing

By CLYDE H. FARNSWORTH

WASHINGTON — LONGSTANDING Arab efforts to blacklist companies that do business with Israel are being thwarted with the help of stiffened American enforcement of anti-boycott legislation and weakened Arab resolve stemming from slackened oil prices.

The boycott has not deterred more than 250 American companies from operating in Israel, or the United States and European Community from making tariff preference deals with Jerusalem.

However, the United States, France and the Netherlands are the only important trading countries that have anti-boycott laws. Japan, which gets most of its oil from Arab countries, has been accused by many Israelis of supporting the boycott. But Japan-Israel trade amounts to about \$600 million a year.

Last week, Cadbury Schweppes, the British soft-drink company, was reported to be considering pulling out of Israel, where it does \$30 million of business annually, in order to get its name off the Arab blacklist. The American Jewish Congress said it had obtained a Cadbury letter to this effect. But after the letter was published, the company said it expected negotiations with its Israeli bottler "will result in a mutual agreement shortly and that production in Israel for the foreseeable future will be assured."

In the United States, the newly expanded Office of Anti-Boycott Compliance of the Commerce Department recently accused Safeway Stores of barring blacklisted companies from supplying Safeway-managed supermarkets in Saudi Arabia and Kuwait. The chain denied it. If the charges are upheld, the maximum penalty could be \$4.5 million.

A 1977 law requires American companies to report all requests to discriminate against Israel. It provides civil and criminal penalties for "actions with intent to comply with, further, or support any boycott fostered or imposed by a foreign country against a country which is friendly to the United States."

Most cases are settled with consent agreements, which generally include penalties under civil law. Since January, \$784,750 in fines have been levied, a steep increase from \$425,500 last year. The largest fine this year was \$158,250 charged to Chemical Bank. Federal officials said the bank had failed to report promptly that it received hundreds of demands from Kuwait for information about

American suppliers' relations with Israel.

Generally, American companies are reporting fewer cases in which Arab customers demand that they discriminate, possibly indicating a loss of Arab interest in the boycott. In the last three years, the anti-boycott office has received about 20,000 discrimination reports a year, down from 35,000 to 40,000 in prior years, said Theodore W. Wu, Deputy Assistant Commerce Secretary for export enforcement. "The downturn in their economies means less leverage for the Arabs and translates into fewer demands on the companies," he said. Added William V. Skidmore, the office director: "Arabs apply the boycott with some discretion."

### Some Exceptions

For example, McDonnell Douglas is not blacklisted although it sells F-4 planes to Israel. General Electric and United Technology make airplane engines for Israel but are similarly unaffected. The boycott office does not explain its decisions.

The experiences of some of Cadbury Schweppes's American competitors further illustrate the vagaries of enforcement. The Coca-Cola Company, which has been blacklisted since 1968, when it opened a bottling facility in Israel, has just signed a 10-year extension there. But Coca-Cola has also franchised a bottling plant in the Persian Gulf to provide soft drinks in the United Arab Emirates and Oman, two of the 13 countries that generally follow the Arab boycott.

Officially, the countries that apply the boycott of the companies do not trade with Israel. But Israeli products have appeared even in Saudi Arabia and Kuwait.

Three North African Arab countries, Morocco, Tunisia and Algeria, have declined to take part in the boycott. And Egypt ended its boycott after it signed the 1978 Camp David accords restoring relations with Israel.



On the assembly line at the Israeli plant that produces Schweppes soft drinks.

## Hess Dies at 93

### Hitler's Last Lieutenant



Rudolf Hess with Adolf Hitler.

WALTER RICHARD RUDOLF HESS, the last of Hitler's lieutenants, died last week in Spandau Prison in West Berlin in circumstances that were characteristically murky. Allied officials said Hess had committed suicide, as did his long-dead fellow Nazis — Hitler, Goering, Goebbels and Himmler — strangling himself with an electric cord. They said he left a note pointing to suicide. But a lawyer for the partially blind 93-year-old prisoner suggested there might have been foul play.

Hess spread confusion during World War II when he piloted a fighter plane to Scotland in May 1941 and parachuted, bearing what he said was a German peace offer. Britain, doubtful of

Hess's authority and mental stability, imprisoned him. Adjutant, bodyguard and secretary to Hitler in the 1920's, Hess took his dictation of portions of the Nazi manifesto, Mein Kampf, when they were in prison for their failed Beer Hall Putsch against the Weimar Republic. In 1933, Hitler was elected Germany's Chancellor, and Hess became the Nazi Party chief and a designated successor. He signed the infamous Nuremberg laws depriving Jews of their rights. After Germany was defeated in 1945, Hess was given a life sentence for war crimes. For the last 20 years, following the release of lesser Nazis, he was the only inmate of Spandau, which will now be demolished.

## Rapid Buildup of the 70's Yields to Austerity

# Africa Has an Arms Control Problem

By JAMES BROOKE

LOME, Togo — IN 1984, Ethiopia received \$334 million from abroad for famine and development aid — and spent \$447 million on military weaponry. That year, Angola spent \$133 per person for defense and \$49 per person for education.

The clash between arms spending and development is the theme of a United Nations conference that opens tomorrow in New York: 128 countries have said they will participate. The United States has decided to boycott the conference because the Reagan Administration considers disarmament and development to be separate and rejects any suggestion that the poor countries are automatically entitled to money that might be freed by cuts in Western military spending.

But in this seaside West African capital, the discussion has already begun. "Globally, African military expenditures are quite small, but the impact on the region is quite great because of our fragile economies," said Sammy Kum Buo, the Cameroonian director of the new United Nations Regional Center for Peace and Disarmament in Africa. The center, which opened here last October, is part of an effort to stop the arms buildup in the third world. The center's officials and other experts say they believe that conditions may be right for changing attitudes about arms spending in sub-Saharan Africa, which includes many of the world's poorest countries. In this period of economic austerity, the experts argue, Africans may be receptive to the idea that big military budgets do not guarantee national security.

In the 1970's, arms imports rose faster in Africa than in any other region of the world, according to the Stockholm International Peace Research Institute. In that decade, the institute reports, military spending in Africa increased by 6.6 percent a year, while the continent's economic growth was only 0.4 percent. Foreign military hardware delivered to sub-Saharan Africa from 1977 to 1984 included an estimated 1,800 tanks, 4,400 artillery pieces, 3,800 armored personnel carriers, 1,275 surface-to-air missiles, 1,000 aircraft and 152



Military parade in Harare, Zimbabwe.

Information, a nonprofit research group based in Washington.

But in the 1980's, weapons deliveries to sub-Saharan Africa reached a plateau — about \$1.7 billion a year, according to the Stockholm insti-

tion in 1984 from \$15 billion in 1979. The fall was not the result of a conversion to pacifism, but of the hard times brought on by falling oil prices, mounting debts and global recession. In 1986, deliveries of imported arms to sub-Saharan Africa fell by about half, to \$892 million.

"Sub-Saharan Africa stopped buying, and it really shows," said Aaron Karp, an American who is the institute's director of arms trade research. "They are mostly buying secondhand Western equipment or are turning to Chinese or East European supplies for cut-rate weaponry." In January, Liberia, traditionally a close American ally, received 12 Soviet-made armored personnel carriers from Rumania. About that time, Zimbabwe received 12 F-7 tactical fighter jets from China.

### Togo Needs Israel

In April and May, "a large number" of used French helicopters and refurbished flight trainers were sent to Cameroon, Mr. Karp said. In June, Togo renewed relations with Israel, reportedly with an eye to buying Israeli military expertise.

"Togo has a lot of equipment corroding in the garages," Mr. Karp said. "What the Israelis can do is take these old ghosts and put them back to life."

At the disarmament center here, Mr. Buo talks of joint military exercises and border patrols to reduce tension between neighbors.

While this approach could head off some regional arms races, it will hardly dent the flow of arms to the four wars raging in Ethiopia, Morocco, Mozambique and Angola, where insurgencies are supplied with military hardware by outside sources.

Angola's Soviet-backed Government spent 60 percent of its income in 1986 to defend itself against a guerrilla army armed by South Africa, the United States and Saudi Arabia.

In Mozambique, guerrillas supplied by South Africa attack Government forces armed by Britain and the Soviet Union and bolstered by troops from Zimbabwe and Tanzania. Caught in the middle, half of Mozambique's population has been



## How Teheran Looks at the World



Iranian patrol boats taking part in naval maneuvers, code-named Martyrdom, in the Persian Gulf this month.

## Iran Sends Mixed Signals, Often on Purpose

By JOHN H. CUSHMAN Jr.

IF Iran seems to speak to the world with conflicting voices, it may be because the Government here is being forced to respond simultaneously to pressures from many different quarters, both at home and abroad.

More than eight years after its revolution and nearly seven years since the start of its war with Iraq, the Government finds friends in few places. Resentful of America and other major nations, it is trying to portray itself as a peacekeeper in the Persian Gulf while its leaders issue threats to sow mines through the gulf waters.

"Disturbing tranquillity in the Persian Gulf is as easy as drinking water," said Iran's most powerful politician, Parliament Speaker Hashemi Rafsanjani in a speech last weekend. "And for us it is not difficult to render the whole region insecure." "Dropping mines in the Persian Gulf is like sowing wheat in the land," he said.

But last week, six ships of an Iranian Navy unit were reported to be minesweeping in the Gulf of Oman, where oil tankers gather just outside the Persian Gulf. This publicized demonstration was intended to show Iran more as the guarantor of shipping safety than the strongly sus-

pected layer of mines.

Ironically, Iran used the same equipment and methods in its minesweeping that the American Navy was using simultaneously in the gulf, operating helicopters from the Guadalcanal, a landing ship. Iran's pilots were trained in the United States, which sold anti-mine helicopters to the Shah before the revolution in 1979.

## Escorts Tolerable

Iran has condemned the United States for building up its forces in the gulf, but last week, in a rhetorical shift, the Government began to describe the American presence as superfluous rather than aggressive.

Dr. Kamal Kharazi, the spokesman for Iran's highest military authority, the Supreme Defense Council, on Thursday went so far as to say that Iran would tolerate American escorts of ships bound for Kuwait. "We are not opposed if the United States wants to bear such expensive costs," he said.

Iran's main enemy, of course, is Iraq and despite the pause in Iraqi attacks on Iranian shipping, there is no sign of a lull in military clashes elsewhere. Iraq in recent weeks has struck repeatedly at Iran's oil and other industrial facilities, and several times last week Iran's news agency reported reprisals by Iranian aircraft and artillery. Iran's leaders warned repeatedly during the

week that they would order retaliation whenever Iraq hit economic targets. Diplomats here said the decline in oil export earnings had severely distressed the economy, and that foreign currency reserves are, as one put it, "at rock bottom." The forecast is that Iraq will continue to strike at oil installations to prevent Iran from mustering forces for another round of land offensives.

Iran's main hope lies in persuading President Saddam Hussein of Iraq to cease attacks on refineries and oil terminals. Iran is emphasizing two kinds of pressure on Baghdad: encouraging insurrection in the Kurdish area in the north of Iraq, and threatening the security of Iraq's financial supporters, Kuwait and Saudi Arabia.

## Discord With Saudi Arabia

Relations between Iran and Saudi Arabia are at an ebb after riots Aug. 1 during the annual pilgrimage of Moslems to Mecca, in which more than 200 Iranians were killed. Iran says the Saudi Arabian security forces opened fire on Iranian demonstrators who, on instructions from Ayatollah Ruhollah Khomeini, were chanting religious and political slogans. Saudi Arabia said the protesters initiated the violence. The day after the carnage, Iranians ransacked and seized the Saudi and Kuwaiti embassies in Teheran. On Monday night, a Saudi with diplomatic status died of injuries sustained during the

embassy seizure, Western diplomats said.

Perhaps no signals are more discordant than those Iran is now sending Saudi Arabia. A barrage of invective against the royal family tends to drown out quieter gestures of conciliation. Iran needs to avoid a total break in relations with the Saudis, who hold sway over the region's oil-producing states and Islamic governments. So the Saudis were allowed to return briefly to their embassy in the company of diplomats from Islamic nations.

The diplomatic community is also carefully watching for results of the secret proceedings of the trial at Evin Prison of Mehdi Hashemi, a radical Iranian cleric who is related to one of Iran's most powerful leaders and has links to terrorist organizations. He pleaded guilty to espionage and other crimes, and a religious court is expected to hand down a severe sentence. His arrest last year led his associates to leak the first story of the American arms-for-hostages deal to a Lebanese publication in an effort to discredit more moderate Iranian leaders. The severity of the sentence, which could be death, could cast light on the relative power of various political leaders and the future of foreign policy, analysts here say.

Most difficult of all to decipher are signals emanating each day, within Iran. Most analysts do not even pretend to have discerned the direction of Iran's internal policies.

## Japan Leads U.S. in Per Capita Income, Lags in Buying Power

## Comparing Wealth As Money Fluctuates

By STEVEN GREENHOUSE

PARIS THE United States no longer leads the world in per capita income, as measured in the dwindling dollar valuations of the last two years. But because the prices of food, clothes and other goods in the United States are low compared with other countries, Americans are still ahead in purchasing power.

Japan, for example, has made major gains in the last 10 years. But as calculated in a new study of 21 industrial countries, the average Japanese remains far behind the average American in economic well-being.

The study, by the Intergovernmental Organization for Economic Cooperation and Development in Paris, said the gross domestic product, per capita, in the United States, when adjusted for purchasing power, was \$16,494 in 1985, the most recent year for which the calculations were made. Canada was next, with \$15,223, followed by Norway, \$13,897. Then came West Germany, \$12,179; France, \$11,445; Britain, \$10,915, and Italy, \$10,841. Lowest in per capita purchasing power of the countries surveyed were Portugal at \$5,526 and Turkey, \$3,584.

Gross domestic product is a measure of a country's goods, services and capital investment. Many economists say the formula, which takes relative price levels into account, is the most accurate way to gauge relative standards of living. They dismiss assessments of national living standards based only on per capita income and current exchange rates. "It's ridiculous to use exchange rates to evaluate levels of living," said Irving B. Kravis, an economics professor at the University of Pennsylvania and an authority on income statistics. "Just because the dollar drops 30 percent against the yen does not mean that the United States' standard of living has dropped 30 percent."

This view did not stop the Union Bank of Switzerland from estimating recently that American per capita income was \$17,255 in current dollars last year, trailing Switzerland, \$20,437, but ahead of Japan, \$16,213.

However, by comparing the prices of more than 3,000 goods and services in 21 countries (Switzerland was not among them), the O.E.C.D. found that per capita incomes in the United States and Japan were very close at current exchange rates. The Americans came out ahead in purchasing power because many items, from food to taxi rides to housing, were far less expensive in the United States than in Japan.

Japan's per capita income, adjusted for purchasing power, climbed to 72 percent of American levels in 1985, from 57 percent in



1970. However, the Japanese devoted a higher percentage of resources to capital investment than Americans did, and a lower share to consumption. So the gap in living standards between the two nations was greater than this comparison indicated. But Japan's heavy investment in capital goods, factories, bridges and the like accounts in part for growth rates that have exceeded those of most other industrial countries.

"For the moment, Japan remains far behind the United States in per capita income, so even if you have a much higher growth rate in Japan, it may take a long time before it overtakes the United States in per capita income, maybe 20 years," said Hugo Krijnsse Locker, an expert on prices and purchasing power at the European Community statistical office. "But it's also possible that Japan's growth rate will slow down, and they'll never overtake the United States."

## Trying to Catch Up

Economists concede that the statistics on per capita income, even when adjusted for purchasing power, do not say all there is to say about the quality of life. The numbers do not take into account such factors as environmental pollution and infant mortality rates. Moreover, actual living standards differ, in part, according to how evenly income is distributed. "If you have one country with two people earning \$2,000 each and another country where you have one person earning \$3,900 and another earning \$100, the average in the two countries will be the same, but won't the

average level of living be different?" asks Laszlo Drechsler, chief of the United Nations section on price statistics.

Economists say an important reason for the United States lead in the survey is an efficient farm sector, which produces food at prices lower than those in many other industrial nations. Other factors include America's abundance of land and natural resources, the edge in technology developed early in this century and the large population; which makes lower unit prices profitable in manufacturing and marketing.

Economists who study changes in per capita income say that since World War II the rest of the industrialized world has been gaining on the United States. The other countries began catching up as they rebuilt war-damaged economies and began making advances in technology.

Since the oil crisis of 1973, however, growth in the Europeans' economies has slowed significantly. This has been attributed to such factors as higher oil costs and lack of economic initiative and flexibility. Also, European governments have been preoccupied with inflation and thus reluctant to stimulate their economies.

"The catching-up process may well have ceased, except for Japan," said Robin Maris, an economics professor at the University of London. However, he added, the enormous American budget deficit has artificially stimulated the United States economy, and "the general view is that it will prove a long-term drag on America's growth."

## 11,000 Were Killed Last Year

## Colombia's Drugs and Violent Politics Make Murder a Way of Life

By ALAN RIDING

BOGOTA, Colombia THE story headlined "Sixteen Murders in Eight Hours in Medellin" won little space in a leading newspaper here. The killings occurred separately, no one prominent was a victim and no common motive was apparent. "That's about right," a Bogotá resident said casually. "It's usually around 20 murders every 24 hours there at weekends."

While Colombians were outraged by such crimes as the murder by drug gangs of a combative newspaper editor in December and the killing of 25 soldiers in a guerrilla ambush in June, they have nonetheless learned to live with a level of violence that elsewhere might be considered intolerable.

The phenomenon, though, is not ignored. This month, a Government-appointed panel of academic experts, who earned the nickname of "violenceologists," produced a 318-page analysis of what it described as "the culture of violence" in Colombia. The report identified the multiple causes of violence and recommended policies to help combat the problem.

Yet the panel did not try to explain why Colombians, more than other Latin Americans, tend to resolve their differences through violence, or why few Colombians seem hopeful that things will soon change. For example, murder is the leading cause of death for Colombian males aged 15 to 44. Further, with more than 11,000 murders last year, the per capita homicide rate in Colombia, with a population of 29 million, was more than four times higher than in the United States.

However, the report sought to dispel the belief that Colombian violence is rooted principally in politics. Although about 300,000 people died during the 1948-53 civil war known as La Violencia and rural guerrilla warfare has been waged intermittently for three decades, the panel said that in 1985 only 7.5 percent of murders were politically motivated.

"Much more than in the hills, the violence that is killing us is in the streets," the report said. It blamed "the growing devaluation of life and the conversion of death into a regular source of income for some sectors of society."

There are significant links to organized crime. Long before they dominated the world cocaine racket, for example, Colombian mobsters controlled emerald smuggling and dollar forging in much of the hemisphere. "Colombian delinquents have always been distinguished by their intelligence, imagination and brutality," said Gen. Miguel Maza Márquez, head of the country's security police.

As they moved to take over and expand

cocaine trafficking in the last decade, the Colombians routinely murdered those who tried to stop them — first, drug operators in Miami and New York and later, a Justice Minister and scores of Colombian judges, journalists and police officers. Disputes between cocaine gangs have been similarly settled.

## New Death Squads

In politics, too, coldblooded murder is prevalent. In the last year, about 300 members of a leftist party, the Patriotic Union, have been gunned down, while in 1985, one guerrilla group executed more than 100 of its own militants for alleged treason. Only two weeks ago, another guerrilla group, known as the M-19, said it had executed a man and woman who had served as intermediaries in a recent kidnap case, after they absconded with some of the ransom.

Petty criminals and drug dealers, as well as male and female prostitutes, have recently become the targets of new death squads in Medellín, Cali and other cities. Some of the gangs, which use such names as "Love for Medellín," "The Cali Cleanup Squad" and "Terminator," have been found to include off-duty policemen.

When questioned, Colombians often struggle to explain the cheapness of life. For example, General Maza, whose security police dismantled a gang of paid assassins known as Los Priscos this month, believes Colombia's colonial history in the 18th and 17th centuries is partly responsible. "Unlike in the United States, people came here to get what they could out of the country and not to build a stable society," he said.

A recent report published by the Colombian Conference of Roman Catholic Bishops complained that "private justice has imposed itself as a generalized method, with armed bands and paramilitary groups operating under the slogan of 'cleaning up society' and escaping the vigilance of authorities, be they military or civilian."

Also contributing to the tradition of violence is the fact that most crimes go unpunished because of the inefficiency of the police and justice system and, in drug-related crimes, intimidation or corruption of judges.

According to a confidential report of the National Planning Department that was disclosed by a Bogotá newspaper this month, "In recent years, only 1 percent of penal cases brought to the consideration of the authorities resulted in sentences."

"This must be the only country where an offense is answered automatically with a bullet," a senior official said. But, he added, "Governments themselves have always used violence here. They have set the example. The death squads, for example, are the traditional way the police act."

# The Nation

## In Democratic Field, No One Is Nearing The Winner's Circle

By R. W. APPLE JR.

**WASHINGTON**  
LAST month, at a gathering of Democratic governors and other party chieftains at Mackinac Island in Michigan, Governor Cuomo of New York was in an effusive mood.

The eight declared and undeclared candidates for the party's 1988 Presidential nomination, the Governor said, constituted not just "an embarrassment of riches" but "the best field ever assembled."

Maybe so, but it is hard to find much evidence to support his claim. The voters do not seem to agree; several recent polls have shown 40 to 50 percent of the party's supporters undecided — the largest percentage at this stage of a campaign since World War II.

The party professionals don't seem to agree, either. Get into a conversation with them, and you will hear endless speculation about the possible candidacies of people who say that they have decided not to run — people like Senator Bill Bradley of New Jersey, Senator Sam Nunn of Georgia and Mr. Cuomo himself.

The latest manifestation of this sense of unease, this belief that the Democrats' man on a white horse has yet to ride forth, was last week's brief and bizarre boomlet for former Senator Gary Hart of Colorado, who withdrew from the race May 8 after The Miami Herald reported he spent the night with a model from Miami.

Reacting, in part, to opinion surveys showing Mr. Hart ranking higher than the active candidates, some of his old backers had been quietly circulating the word that he might re-enter the race.

Then William Dixon, his former campaign manager, took the idea public on Thursday with the statement that a revived Hart candidacy was "possible and indeed probable" within 60 days. But another key former adviser, Bill Shore, called Mr. Hart on vacation in Ireland, and reported that it was not going to happen. "His statement to me was categorical that he was not a candidate and didn't intend to be," he said.

Polling experts do not put much stock in Mr. Hart's continued showings. He ran a national campaign in 1984, they point out, gaining widespread recognition in the process, and the candidates this year are all still relatively unknown, despite their rather frenzied early campaign schedules.

In the most recent New York Times/CBS

News Poll published last month, only the Rev. Jesse Jackson drew the support of more than 10 percent of Democratic voters. His strength was concentrated among blacks, who constituted three-quarters of his pool of support. Similarly, three-quarters of the backers of Representative Patricia Schroeder of Colorado were women, and other hopefuls' supporters were concentrated in their home regions.

But someone will emerge sooner rather than later from the pack. The synergistic reaction between a "front-loaded" primary system and a press corps eager to identify a front-runner guarantees that.

The creation of the so-called Super Tuesday primary in 14 Southern states next March 8 has had the paradoxical effect of making the Feb. 15 Iowa caucuses and Feb. 23 New Hampshire primary more rather than less strategically pivotal, because the candidates lack the time and the money to campaign extensively in 14 states.

### Finding Leads

"The South may have a veto, in the sense that no one whom it overwhelmingly rejects is going to be the nominee," said a party strategist, "but the much greater likelihood is that the nominee will be the person who puts on the best overall performance in Iowa and New Hampshire."

In those two states, which have seen much more of the candidates than the nation as a whole, there is less talk of dark horses and more talk of front-runners.

In Iowa, for example, the latest polls show Representative Richard A. Gephardt of neighboring Missouri in first place, followed at a distance by Mr. Jackson and by Gov. Michael S. Dukakis of Massachusetts. In New Hampshire, it is Mr. Dukakis who is well ahead.

The conventional wisdom says that Mr. Jackson cannot win, that no major party is ready yet to nominate a black for President, not even one who has demonstrated that he can attract disadvantaged members of other races as well.

So there is a growing consensus, confined so far to the small circle of professionals and analysts who follow such things even in the heat of summer, that Mr. Dukakis and Mr. Gephardt have broken into an early lead.

"A pattern seems to be forming in the Democratic race," says William Schneider of the American Enterprise Institute, a Washington think tank.

"Dukakis is becoming the establishment liberal. Gephardt is becoming the insurgent



Gloria Carroll

in the race, the role Hart played against Walter Mondale in 1984."

Mr. Gephardt's strong suits are his energetic organizing, particularly in Iowa, and his populist espousal of trade sanctions. Mr. Dukakis's are his reputation as a super-manager in his own state and his image as a man of utter probity.

### The Intensity Factor

But each also has vulnerabilities. Both are seen as rather colorless figures, and partly as a result of that are thought to have little intensity of support.

Mr. Gephardt, so the professionals say, has to win in Iowa to stay alive, and Mr. Dukakis has to do well there and win in New Hampshire to carry on.

Perhaps the biggest surprise of the con-

test so far (except, of course, for the withdrawals of Mr. Hart and Mr. Cuomo) has been the indifferent showing of Senator Joseph R. Biden Jr. of Delaware.

Although Senator Biden has raised money and collected endorsements without apparent difficulty, he has had trouble putting across his ideas, gaining a reputation not for oratorical polish but for verbosity.

As chairman of the Senate Judiciary Committee, Mr. Biden will play a key role in the fight over the nomination of Judge Robert H. Bork to the Supreme Court.

That could help, it could hurt; so far, it has hurt, as the Senator has made a series of contradictory statements about the judge.

The rest of this field is composed of long shots, some of whom might not be in the

race had Mr. Cuomo and Mr. Hart been fighting it out.

The list includes former Gov. Bruce Babbitt of Arizona, who is counting on grass-

roots organization to overcome the odds.

Others that face him: Senator Albert Gore Jr. of Tennessee, who is running the kind of regional favorite son; Senator Paul Simon of Illinois, who hopes through his articulation of traditional Democratic values to attract

some of Governor Cuomo's constituency, and Representative Schroeder, whose strategy would be built on her following in the women's movement and her expertise on national-security matters.

But none, at this stage, is any longer a shot than Jimmy Carter was in 1975, and this time, no one is as far ahead as Ed Muskie seemed to be then.

## Action Against Toshiba Prompts Intense Lobbying in Washington

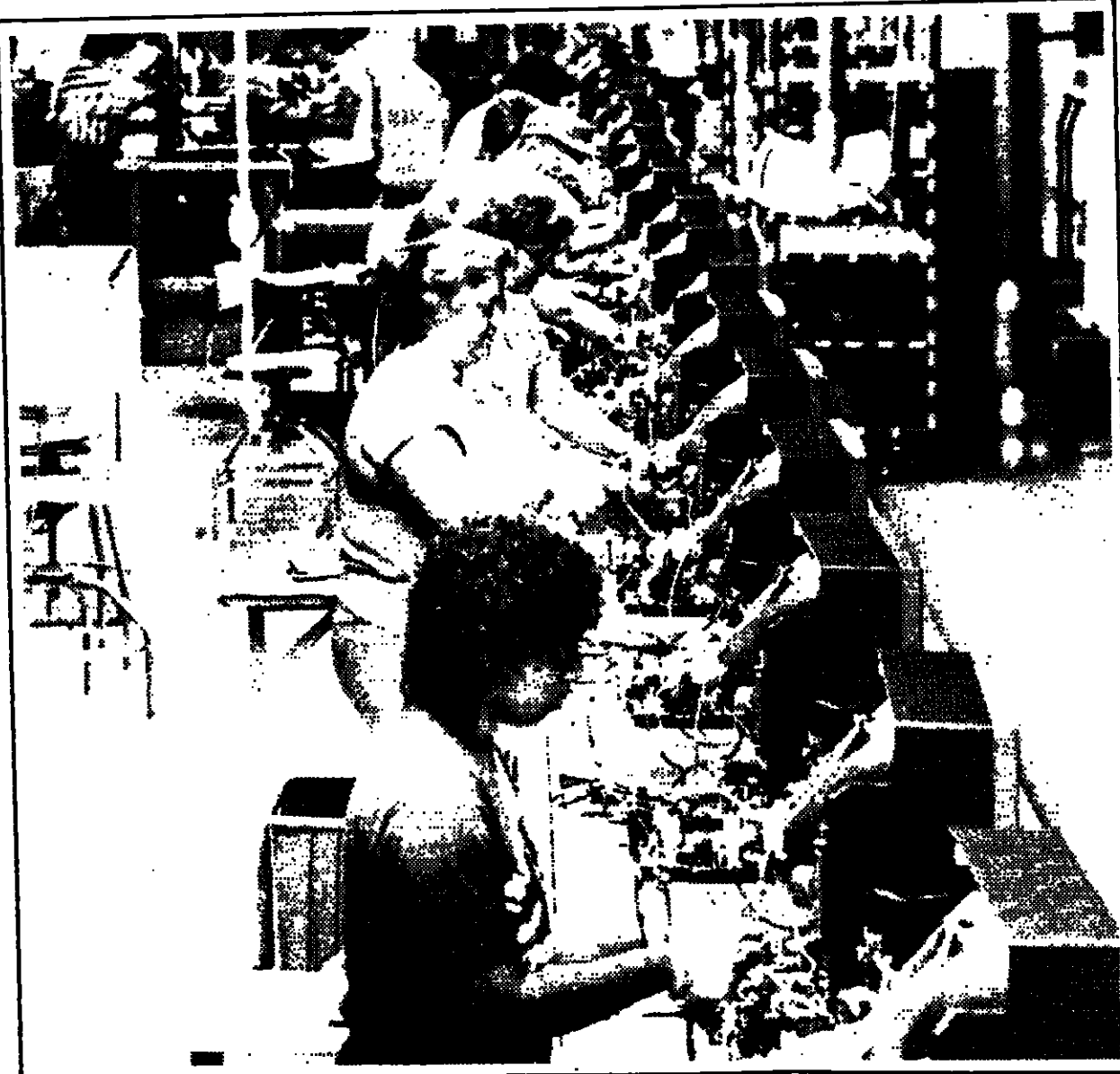
## Pressured on Trade, Japanese Turn to the Business of Politics

By SUSAN F. RASKY

**WASHINGTON**  
IN an era of spiraling American trade deficits and shrinking world markets, Japanese companies and agencies have marshaled some of Washington's best legal and consulting talent — at an estimated cost of \$60 million last year — to represent their interests. Trade experts on both sides of the Pacific have doubts about how much bang for the yen is actually delivered by this lobbying armada. But its very existence is testimony to the Japanese determination to master the politics, players and protocol of the Washington trade establishment.

With the Toshiba affair, however, the Japanese are being exposed to a whole new side of the American body politic — one in which national security concerns set the terms of debate. It was on those terms, rather than those of simple commerce, that an outraged Senate passed a two-to-five-year ban on all imports by the Toshiba Corporation, whose subsidiary had sold sophisticated submarine technology to the Soviet Union.

As the Japanese Trade Minister, Hajime Tamura, learned on a visit last month, lobbying strategies forged for the Congressional commerce and tax committees are not necessarily effective in the armed services and foreign relations panels. "It was like Daniel in the lions' den," said a Congressional aide, describing a meeting last month between Mr. Tamura's delegation and members of the House Armed Services Committee. "The Japanese seemed unprepared for the kinds of questions the members were asking, and the members were unbelievably frustrated. After the first few minutes everything decayed. There wasn't even the pre-



Assembling television sets at a Toshiba plant in Lebanon, Tenn.

The New York Times/Dan LaRocca

tense of politeness."

A senior Japanese trade official, describing the same meeting, said with a bluntness unusual among his countrymen: "We think we have done as much as we can do, but we are facing some rough people."

What the Japanese have done, under the guidance of their American lawyers and with the prodding of the Reagan Administration, is to pledge to pursue the guilty parties back home and to beef up their export control laws and enforcement procedures. What they hope to do is to convince Congress that adopting the ban on Toshiba imports would do serious harm, not just to a company apparently unaware of its subsidiary's actions, but to Japanese-American relations in general.

### Remedial Action

The ban is included in the Senate version of a restrictive trade bill that House and Senate negotiators will take up after Labor Day; Mr. Tamura is to visit Washington again just as the conference committee begins work. Toshiba's American attorneys, senior trade partners in the prominent law firm of Mudge, Rose, Guthrie and Ferdon, are working hard in both Tokyo and Washington to insure that he does not come empty-handed. If the lawyers' strategy of quiet, high-level negotiation succeeds, Mr. Tamura will be able to tell Congress that the Japanese Government has in fact adopted the legal and administrative changes it had pledged, and that Toshiba has become a model of export-control consciousness for all of Japanese industry to follow.

In the meantime, Toshiba has little choice but to take its lumps. Late last month, the House voted to ban the sale of Toshiba products at military post exchanges. And on Aug. 11, under intense pressure from Con-

gressional armed services panels, the Pentagon awarded a \$104 million contract for laptop computers to the Zenith Corporation, rather than Toshiba, which had been in the lead.

Changing this political environment is the task of Leonard Garment, one of Washington's best-known lawyers, whom Toshiba's attorneys have hired to do the elite lobbying rounds; of Jim Jones, the former chairman of the House Budget Committee, who as a partner in Mr. Garment's firm is lending an expert hand, and of the 4,000 Americans employed by Toshiba subsidiaries in this country. With encouragement from Tokyo, workers have begun writing to House members, pleading that an import ban on Toshiba products would threaten their jobs.

"From this office alone, we got 6,500 letters out last week," said Cathie Baker, an order department supervisor at Toshiba America's regional office in Carrollton, Tex. "We started organizing about two weeks ago. We started calling other Toshiba divisions and some of our vendors and suppliers and dealers. Indirectly, we could be talking about 70,000 to 100,000 American jobs."

Gov. Ned McWherter of Tennessee sent letters last week to members of his state's Congressional delegation, making the same point.

So far the letter campaign has

drawn mixed reactions from legislators, who are clearly sensitive to the contention that American jobs will be jeopardized, but at the same time are committed to punishing Toshiba for the security breach.

"When you hear from Japan, so often what you're hearing from are American Toyota dealers in California, or stevedores in some port," a Congressional aide said. "After a while, you get so you can tell the difference between the grass roots and the Astroturf."



# Israel Debates the Role Of its Arts Censors

**A briefly banned play became a hit as crowds flocked to see what the fuss was all about.**

By RONI C. RABIN

JERUSALEM Israeli society, accustomed to a free and outspoken press and public, has in recent months become embroiled in a fierce debate over a Government censorship board's screening of all movies and theater productions.

The controversy was sparked last December when, just two days before the opening of "The Last Secular Jew," a musical satire portraying Israel as a Jewish theocracy, the Film and Theater Censorship Board banned the show.

Artists, writers and theater enthusiasts reacted with an outcry that forced the board to retreat and allow "The Last Secular Jew" to go on, with only minor revisions.

The debate was rekindled last month when the board prohibited people under 18 from seeing the play "Yellow Time," a work based on a journalist's exposé of Israel's military occupation of the West Bank and the Gaza Strip. The board felt that the sensitive and complex issues the drama addressed should be limited to a more mature audience. Although the article's original text had already

been published in a magazine and in book form, a board official said the play required "the viewer's mature and responsible discretion."

The board rescinded its decision a week later, but only after provoking widespread criticism. David Grossman, author of the magazine article that inspired the play, called the age limit "ridiculous," especially in light of the fact that young men and women in Israel are drafted into the army at 18.

The uproar over such incidents has left in its wake a much sharper awareness of the contradictions between Israel's democratic traditions and the censors' desires to reduce tensions among the country's heterogeneous, but volatile population. The controversy also renewed the legislative effort to outlaw the censorship statutes, which derived from regulations imposed during the British mandate.

"There is no reason in the world to justify censorship of theater," said Mordechai Virshupski, a member of the Israeli Parliament, who sponsored the legislation, which has already passed a preliminary vote.

But Yehoshua Justman, chairman of the censorship board, says his group performs a "moderating function" in a society wracked by tensions — ethnic and political, religious and secular — from within and without. Furthermore, he said, the board is extremely liberal in its views.

During the past three years, he said, only 12 "excessively violent" movies have been banned of the more than 700 mostly American-made films submitted for approval. Six plays, of 419 submitted during the

past seven years, have been banned, he said.

But the board does not keep figures on the number of times it requires modifications and deletions before licensing a show. Such alteration took place last year, with both "The Last Secular Jew" and the Broadway show "Oh! Calcutta!," which faced a ban until the producers agreed to alter six scenes.

According to Mr. Justman, the board's areas of concern seem to fall into three main categories. The first, excessive violence, is the primary reason for either imposing age restrictions, banning or occasionally even cutting scenes out of films. The second category applies to films or plays considered to be either "political speeches" or "incitement against the state"; these were the reasons given for excluding one film and four Arabic plays in recent years. (A separate system of military censorship oversees all news reports issued from Israel dealing with military and security-related matters, as well as, written material distributed in the Israeli-occupied territories.)

Most disturbing, however, to the majority of Israelis is a third category that encompasses what the board calls plays involving "assaults on basic Jewish values."

"It's a question of where freedom of expression stops, and assault and injury to others begin," Mr. Justman said.

The board's policy is to avoid political censorship — thus, Mr. Justman said, it gives the green light to plays such as Yehoshua Sobol's work "The Palestinian," a sophisticated look at what happens when a young Israeli

man falls in love with a Palestinian woman. On the other hand, modern Israeli playwrights grappling with difficult, relevant material, often touch a raw nerve with the censors.

In "The Last Secular Jew," for example, censors insisted on deleting what the playwright called a crucial scene, when the last secular Jew in Israel — the only one left who has not abandoned his allegiance to the state in exchange for riches and obedience to an ultra-Orthodox Jewish life style

## Arts & Leisure



A scene from "The Last Secular Jew," a musical satire that ran afoul of Israel's censorship board

— is forced to make fun of the national anthem.

"That was the heart of the play, the turning point, the scene that gave the play its entire meaning," said Shmuel Hasfari, the playwright, who moved his name from the playbill in protest and refuses to accept royalty payments from the show. "That scene was crucial in order to jolt the viewers, to confront them with what is happening. Now the play is just a series of satiric sketches, and that is not what I intended."

An outright ban was imposed in 1982 on Hanoch Levin's work, "The Patriot," a political satire about an Israeli willing to pay any moral price to get a visa for the United States and escape Israel's wars and inflation. The censorship board branded the play "gravely offensive to the fundamental values of the state and Jewish tradition," and banned it entirely.

More recently, the board barred "Ephraim Returns to the Army," a play about the corrupting effects the

Israeli military occupation of the West Bank and Gaza Strip have on one Israeli army officer. The objection, Mr. Justman says, is to a scene in which an officer, originally from Eastern Europe, tells young soldiers entering an Arab town not to harass a little Palestinian boy who is carrying

**Artists fear that without the board, theaters will exercise self-censorship**

a suspicious-looking school bag. "Stop him, check his school bag, he has jewelry, give it back to him," the officer says.

A younger soldier asks him how he knew.

"That's how I transferred my family's jewelry," the older officer says, "when the Germans came."

Israel's Supreme Court recently overturned the board's ban on the play, but Mr. Justman said he would resign from his post if the play is ever performed in Israel. The theater originally planning to produce the play dropped the work and there are currently no plans for production.

"I cannot allow the comparison of Israeli soldiers to Nazis," he said. "It is too sensitive to too many people in this country. There are limits, even to freedom of expression."

Within the artistic community itself, there is a pervasive fear that, without the formal censorship board, theaters will exercise self-censorship in their selection of scripts, due to fear of libel suits and of losing funds from official and semi-official bodies.

Ironically, "The Last Secular Jew" became a box-office hit, running through last month, as crowds flocked to the theater, despite poor reviews, simply to see what the fuss was all about. Mr. Hasfari said that, despite the changes in the script, the ban succeeded in driving home the play's message. □

## Hollywood Searches For Madonna's Persona

**Hollywood should study Madonna as she's been defined in her best videos.**

By VINCENT CANBY

NEW YORK On the evening of Thursday, Aug. 6, approximately 10,000 people, according to police estimates, crowded into the lower section of Times Square to watch the arrival of Madonna for the premiere of her new film, "Who's That Girl." The next day, at noon, at the first regularly scheduled performance of the film at the 1,151-seat Ziegfeld Theater, I counted less than 60 people in the house when the show began.

In this age of electronically enhanced personality, fame may be fleeting, but it doesn't disappear overnight. It took Tiny Tim more than a decade to fade away and the Sex Pistols a couple of years (and one murder). "Howard the Duck" lasted four weeks. Madonna was as big an attraction on Friday at noon as she had been on Thursday evening but, apparently, her stardom on records, in music videos, in concert and as a free show in Times Square is not, as they say, translating to the box office of movie theaters.

With its usual bluntness, Variety stated the facts. "Who's That Girl," the trade paper reported last week, is "a loser."

Ever since she first came on the music scene three years ago, there's been a certain amount of hype surrounding the ascent of Madonna — actually Madonna Louise Veronica Ciccone from Bay City, Mich. — to the top of the record charts. The voice is small, the musicianship not super and the personality a kind of electronically enhanced variation on those of other people.

Yet that was then and this is now, when Madonna, the singer and knock-out music-video performer, and, more recently, movie actress, has developed a public personality that is decidedly and wittily her own. Largely through the sexy, parodistic music videos directed by Jean Lambert, and Susan Seidelman's "Desperately Seeking Susan," her first theatrical feature, Madonna has shaped up as a character in her own right.

She's a knowing, shrewd, pragmatic young woman, a performer of invigorating energy who still looks a lot like Marilyn Monroe, even with short hair, but who has much more in common with the enthusiastic, unembarrassed, comic tartiness of Jean Harlow, somehow let loose on the streets of New York in the 80's.

music video, which, though its purpose is to promote the film, promotes everything that's least attractive about it.

What you're witnessing is a film career that's terrifically promising, drain-wise. You might even suspect that there's a Cyndi Lauper "mole" among her advisers; someone bent on wrecking a career before it's decently gotten started and gained any momentum.

"Who's That Girl," in fact, is a good deal better than its own distributors thought it was when they refused to screen it in advance to the press.

Under the direction of James Foley, and also, perhaps, of the producers, Madonna plays the first half of the movie at a fever pitch of inappropriate (for her) mannerisms, including an adenoidal accent, a supposedly comic, "little girl" walk, shrewish temper tantrums and coy facial expressions, none of which has anything to do with the sophisticated, self-aware Madonna of music videos and concert stage. In the second half of the film, when she's allowed to play at her own insinuating pace, Madonna at last emerges and is a delight.

The "Who's That Girl" music video

catches none of this quality at all, concentrating instead on the hysterically off-putting personality that the star is required to play in the early scenes.

It may be, as has been suggested by my colleague Jon Pareles, that there's simply too much "free" Madonna available on television, in her music videos, for the star to attract fans to movies theaters that charge as much as \$6 a ticket. Movies, too, are not the "events" that her sell-out concert appearances are. Yet she's never even been seen dancing and singing in a movie. Hollywood has busily been giving a new image to someone whose initial image hasn't yet been formed, at least as far as movies are concerned.

Before Madonna makes another film, her producers might do well to study the creature as she's been defined in her best music videos. Chief among these is the extraordinarily provocative, impressionistic "Open Your Heart," which, in a brisk, haiku-like 4 minutes and 22 seconds, presents Madonna as every adolescent boy's wildest, sweetest fantasy.

In Madonna, Hollywood has a potent, pocket-sized sex bomb. So far though, all it does is tick. □



Madonna on screen; at top, and Madonna in concert—Hollywood hasn't tapped the talent.

## Cached Cash

BY AM PAGE/Puzzles Edited by Eugene T. Maleska

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ANSWER TO PREVIOUS PUZZLE

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# The New York Times

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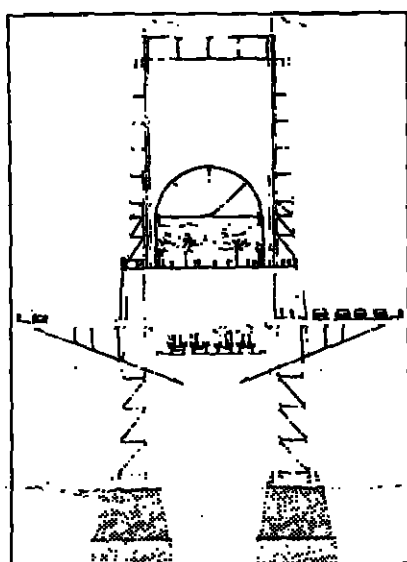
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## A Bridge to the 21st Century

The Williamsburg Bridge is not falling down. But wind, tide and pollution have taken their bite out of this 1903 marvel. The worst wound was inflicted by planners who, in the interest of thrift, failed to galvanize the wires that make up the giant cables. If nothing is done, the bridge will fall down. That won't happen tomorrow, but it is likely within 10 or 15 years, which is, by the calendar of big urban projects, almost tomorrow.

New York City and State must make a decision. Should they salvage the narrow bridge, by replacing thousands of miles of corroded wire, at an estimated cost of \$250 million? Or should they build a new bridge for the 21st century? That's not even a close call. Prudence and vision dictate the same counsel: Go for it.

The harder task is to use this giant project to fire imagination on all fronts, about the bridge's use, construction and management as well as design. This can be a bridge, also, to the 21st century.



Alexander Gropius & P. P. Johnson

own image: fantastic and pragmatic.

Towers would soar; greater height allows better geometrics and greater stability. Some planners visualize elevated subways speeding through a glass tunnel that would muffle sound while offering an incomparable view. A public plaza exists on the Manhattan

side of the present bridge. Tenement dwellers once camped there at night to escape summer heat. Today, it's the preserve of drug addicts. Such a plaza could be one of the city's great spaces: light and sound under the stars.

Who should own the new bridge? A new city-state authority empowered to collect tolls for and maintain all the East River bridges. Both the Williamsburg and the Brooklyn Bridges collected tolls until 1911. Without tolls, there's too little money for dependable maintenance — as the state of the Williamsburg Bridge demonstrates. Compare it with toll bridges like the George Washington, which are kept in excellent repair.

A developer has offered to build the new bridge, at no profit, and at a fixed price. Guess who? Donald Trump. So might other developers. The bridge could be put out for bids. It is easier to estimate the cost of building new than of restoring something as esoteric as the Williamsburg cables, treated for 75 years with linseed and fish oil, mineral spirits and duck feather wrappings.

In "Winter's Tale," Mark Helprin's stirring novel of New York, a great white horse escapes from a stable in Brooklyn, trots across the new Williamsburg Bridge and pauses to contemplate bridges "that spanned not only distance and deep water but dreams and time." Let that horse carry New Yorkers, galloping, into the 21st century.

## Tax Reform's Tax Forms

Did you borrow to buy a house since Aug. 16, 1986? Are you planning to contribute to a retirement account? Do you intend to deduct losses from an investment partnership this year? If so, Uncle Sam wants to know about it, all about it.

The Internal Revenue Service has unveiled three complicated new forms that could double the paperwork for some unlucky tax filers. The forms may be streamlined before they are mailed in the fall, but not much. Their complexity only reflects the complexity of the new tax reform law. Modifying the law now would upset the delicate compromise between public interest and special privilege that made tax reform possible.

Consider the new reporting requirement for interest deductions. To replace some of the revenue sacrificed in lowering tax rates, Congress decided to permit the interest deduction only for home mortgages. Targeting the tax break solely to housing sounds easy, but isn't. Some homeowners could take out second mortgages, in effect using their homes as collateral to borrow for car purchases and the like.

So Congress limited deductibility to the original purchase price of the house, plus improvements — and then decided to permit exceptions for home loans used to pay education and medical bills, or some types of business expenses, if they could be

documented. That guaranteed fierce accounting headaches. Borrowers must figure the cost of improvements on top of the purchase price. Next, they must calculate the average outstanding loan balance for the year; the I.R.S. permits five different methods. Next, bills for the other allowable categories must be totaled. Next — well, you get the idea.

Similar torments are in store for affluent taxpayers who claim partial deductions for contributions to retirement accounts, or expect to make withdrawals at retirement without being taxed twice for the privilege. Investors who want to take advantage of the tax shelter in limited partnerships will be required to show that "passive" investment losses don't exceed investment income.

Is all this complexity necessary? Simpler, more equitable reform was technically possible. Congress, for example, could have eliminated the need for mortgage interest accounting by eliminating the deduction for all forms of personal interest. The extra revenue gained thereby could have been returned to all taxpayers by lowering tax rates.

It's worth remembering, though, that the best tax reform always risks becoming the enemy of the good. One serious political slip and the battle for a fairer, more efficient tax system might have been lost. These awful tax forms will sting, but less than tax laws that generously rewarded the quest for loopholes.

## Discovering Self-Interest

Through the driving sandstorms that fitfully darken the lands around the Persian Gulf, a few glimmers of rationality may be starting to penetrate. Iran's mullahs seem now to perceive that free navigation for all in the gulf, not mine-laying, serves their best interests. It is the Iranians, far more than Iraq or other Persian Gulf states, who depend upon an open gulf for the free flow of their oil exports.

Dr. Kamal Kharazi, a spokesman for Iran's Supreme Defense Council, says Iran is now not opposed to American escorts for Kuwaiti tankers. Without denying their original story that the mines were laid by "invisible hands," the Iranians acknowledge their own hand in placing a few mines. But those were mines to guard the Iranian coastline, they say. Iranian minesweepers have been at work, and everything's peaceful.

"The question is," Dr. Kharazi concludes, "if there is calm in the Persian Gulf, why should the United States not withdraw?"

If self-interest and the U.S. Navy have illumined the mullahs' path to one such revelation, maybe they will lead them to another, that of accepting a cease-fire in their feudal war with Iraq and ceasing to export their revolution to unwilling customers.

Could it be the mullahs now see they have misread their Adam Smith? Invisible hands are meant to express enlightened self-interest, not mine one's own waterways.

## Topics of The Times

### Infants' Rights

New York has much to boast about — but not the health of its babies. The state has the 14th highest infant mortality rate in the country and ranks 38th in the percentage of low-birthweight infants.

These two ignominious statistics reflect a third, equally ignominious: the percentage of women who, uncovered by any public or private health insurance, receive late prenatal care or no prenatal care at all. That percentage figure has been increasing since 1980 and now stands at twice the national average.

Welcome, therefore, Governor Cuomo's signature on the Prenatal Care Act of 1987, which amends the public health and insurance laws to establish a permanent prenatal care and nutrition program for the thousands of low-income New Yorkers who are ineligible for Medicaid but unable to afford private insurance. It also expands covered services to include physician costs for labor and delivery along with prenatal care.

The cost of maintaining a low-birthweight baby in a pediatric intensive care unit is about \$1,000 a day — and that is just the beginning. Since such infants are likely to be physically or mentally handicapped, they will burden public budgets for most of their lives.

In allocating \$24.6 million to give poor babies a better start in life, New York has bought itself a bargain.

## Letters

## Politics, Not Policy, Fueled Iran-Contra Fiasco

To the Editor:

"The Presidential Mind" (editorial, Aug. 7) and the Iran-contra debate asks almost beseechingly for the key to "the thinking and mindsets that produced the crisis."

The key was provided by Thomas P. O'Neill Jr., former Speaker of the House, who said months ago that the mindset was not foreign policy but domestic politics.

The salient and controlling fact is that the President and William J. Casey, Director of Central Intelligence, had their minds, hearts and political souls fixed on the 1986 Congressional election. Nothing was more important to them than continued Republican control of the Senate. They believed that if the hostages were not released before the election, the Republicans could lose control of the Senate. It is for this reason, to quote Lieut. Col. Oliver L. North, that they would "do almost anything to get our hostages back."

The Tower Commission Report sets forth statements by numerous participants in the Iran-contra undertaking that confirm the President's concern that failure to secure release of the hostages would damage his political position. I refer particularly to Donald Regan's description of the President's reaction to the decision of "the group" in December 1985 to abandon the arms-for-hostages effort (pages 201-202) and the description by the chief of the Near East division of the C.I.A.'s directorate of operations of the political reality that was driving the effort to free the hostages (page 261).

The bewilderment of the Tower commission, the confusion in the Congressional special committees, the shock and outrage of Secretary of State George P. Shultz and Secretary of Defense Caspar Weinberger, the meanderings of reporters and commentators were all caused by acceptance of the erroneous assumption that the President was directing his attention to problems of foreign policy in undertaking to exchange weapons for hostages. The President was busy using and abusing power derived from his prerogatives in foreign policy and national security to secure a renewal and extension of what he conceives to be the mandate of the Reagan revolution.

The implications of the conclusion that the President is guilty not of incompetence in the use of power but of secret and subversive perversion and abuse of power may be too horrendous for us to accept and to act upon, but we should at least recognize that the time is out of joint — even though we lack the will to set it right.

FREDERICK J. RARIG  
Doylestown, Pa., Aug. 7, 1987  
The writer was a special assistant to the Attorney General in the criminal division of the Justice Department.

And if They Succeeded?

To the Editor:

The Iran-contra hearings have caused both lamentation and praise — the first for the revelation of the frightening insidiousness of the covert use of power, the second for the alleged validation of the democratic "system" that ultimately flushes out such excesses. What is problematic and a bit unsettling in that validation, however, is the question of what would have been the responses of the committees and the American public if the North-Poindecker efforts had been successful in both hostage exchange and a contra victory.

Would our Congressional leaders have been so vehement in their condemnation of the abuse of power? Would they have had the insight to recognize the long-term invalidity of the ends-means justification argument? Would they have had the courage to speak out against demonstrable, not hypothetical, heroes?

Only if the answers to these questions are yes can we feel safe in our democracy.

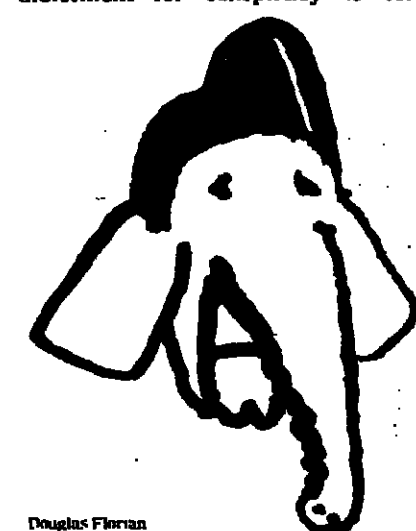
JAMES L. BESS  
New York, Aug. 6, 1987

## That '36 Arms Case

To the Editor:

Lieut. Col. Oliver L. North on several occasions at the Iran-Contra hearings referred to the decision of the Supreme Court in the case of United States v. Curtiss-Wright Export Corp. et al., 299 U.S. 304 (1936) to support a plenary role for the President in foreign affairs. A Senate member of the panel has publicly advanced a similar view. The facts make clear what the decision actually stands for.

The case involved a 1936 criminal indictment for conspiracy to sell



arms in the United States to Bolivia in violation of a joint resolution of Congress approved May 28, 1934, and the provisions of a Presidential proclamation issued the same day purporting to give the authority conferred on the

President by the joint resolution. The purpose of the resolution and the proclamation was to promote peace between Bolivia and Paraguay, then engaged in hostilities, by embargoing arms shipments to those countries. The narrow issue was whether the joint resolution was an unconstitutional delegation of Congressional power to the President.

In holding the joint resolution a valid delegation, Associate Justice George Sutherland, writing for the Court, reviewed the foreign affairs powers of the Federal Government and of the President. The opinion affirmed that in foreign affairs, the United States, like any other nation state, has full and plenary powers of sovereignty. The opinion discusses the President's role in foreign affairs, including his "power to speak or listen as a representative of the nation" and make "treaties with the advice and consent of the Senate; but he alone negotiates."

"Into the field of negotiation," the opinion continues, "the Senate cannot intrude; and Congress itself is powerless to invade it."

Justice Sutherland reviews at some length the needs of the President in international negotiating and the necessity that Congress accord to the President "a degree of discretion and freedom from statutory restriction."

Thus, the Court was not prepared to strike down the joint resolution as an unlawful delegation of power.

While the opinion reviews the powers and conduct of the Presidency in foreign affairs in sweeping language, nowhere does it take the position that the President has full and plenary power in foreign affairs. Quite the contrary, at its core, the case concerns whether Congress should have been more specific and detailed in delegating authority to the President in its joint resolution. The fundamental holding of the case is that when Congress and the President act jointly and collaboratively in foreign affairs, as with the resolution and proclamation, the United States has full and plenary powers. The case does not deal with independent Presidential action.

Those who have referred to the Curtiss-Wright decision as standing for the proposition that the President has unlimited foreign affairs power have either misread or misstated it.

The lesson to be learned from this case is that in today's world the country needs cooperative action between the President and Congress. Such action requires trust, understanding and truthful interchange between these two branches. The success of our foreign affairs demands nothing less.

CECIL J. OLMSTEAD  
Washington, Aug. 6, 1987

The writer is chairman of the executive board of the Congressional Association and has been a member of the

## How Justice Was Done In the Banking Bill

To the Editor:

While you were criticizing the first banking legislation to clear Congress in five years, Paul A. Volcker, in his final weeks as Federal Reserve chairman, was urging Congress privately and publicly to pass the legislation. Fortunately, Congress took his advice.

You shed a tear (editorial, Aug. 4) that "Big banks will no longer be permitted to cross state lines by setting up 'limited service' subsidiaries that take deposits but don't make loans." Citicorp and friends will no longer be able to exploit an unintended loophole in the law and enter deposit-rich states like Florida — which would as soon live without their presence. But these big banks have the ultimate anticompetitive Government subsidy. They are too big to fail, and regardless how mismanaged they may become, the buck will stop with the taxpayer. Smaller banks, for better or worse, face the discipline of the free market system.

KENNETH A. GUENTHER  
Executive Vice President  
Independent Bankers Assn. of America  
Washington, Aug. 5, 1987

## Those Missing on the 6:25 From Leipzig

To the Editor:

Your article on the young East Germans arriving in Cologne, West Germany, these days on the 6:25 from Leipzig (news story, July 30) is inevitably based on accounts from those who have enjoyed the privilege. Thus, the system of censorship imposed by the East German Government impedes the work of the Western press.

There is another side to the story. There is a group of politically active young East Germans who have no hope of ever going anywhere. They are active participants in the peace movement and committed to environmental protection. Their aim is not to leave East Germany or to be forced to leave; rather they want to stay and effect change. They uphold the loftier principles of socialism and challenge their state on the widening gap between theory and praxis.

The response of their Government has been punitive. These young East Germans are regularly sent back from the border of Czechoslovakia, the only country an average East German can enter without a visa. Some are escorted all the way back to East Berlin by the police. Some live under house

arrest. Most know that they will end up in jail — or in the West, but against their will.

We can applaud any initiative from the East German Government to ease restrictions. We cannot afford, however, to forget that freedom of movement is being used to enforce a privilege for those who conform and punish those who dissent. We cannot afford to forget those who stay behind.

PATRICIA ANNE SIMPSON  
New Haven, Aug. 7, 1987

The writer is an instructor in German and Ph.D. student at Yale University.

## A Junk Mail Strategy

To the Editor:

We cannot effectively impede the flow of "That Sleazy Junk Mail" (Op-Ed, Aug. 8), but we can use the business reply (postage paid) cards or envelopes to send back the offers or solicitations, marked "Not Wanted." The addressees then pay first class plus for notification of our displeasure and rejection.

FRANK S. CASO  
Flushing, Queens, Aug. 11, 1987

## Resurgence of Protozoa May Bear on AIDS and 'Fatigue Virus'

To the Editor:

Your article on Epstein-Barr virus syndrome, the "fatigue virus" (Science Times, July 28), says there is speculation that this mysterious syndrome is caused by one or another virus, multiple viruses, other infectious agents and defects in the body's response to an infection.

I have found over the last 25 years that such a syndrome in many of my patients is caused by protozoal infection and the damage it can do to the body's immune system. Patients with the protozoal syndrome have a long list of physical, mental and emotional problems with a physical depletion that is so overwhelming that patients often fall asleep in my waiting room; they tell me they constantly need sleep and more sleep, yet it does them little good as they wake up too tired to start the day.

Protozoa are one-celled animals, parasites with two main disease-causing genera: *Entamoeba histolytica* and *Giardia lamblia*, and infection caused by them was common enough in this country for the cleaning up of their breeding places to be an important New Deal program in the 1930's. However, they have made a come-

back and have been reported to live in the cold waters of the Rocky Mountains and the Adirondacks, deposited by beaver feces. Outbreaks of protozoal infestation have been reported in Scranton, Pa.; Pittsfield, Mass.; Aspen, Colo., and Butte, Mont. Once entrenched, they are difficult to eradicate, as they have evolved successful survival mechanisms.

In addition to food and water, protozoa are transmitted sexually and have been found in up to 85 percent of gay men. The New England Journal of Medicine for Aug. 7, 1986, reported that an epidemic of amoebiasis among gay men occurred in San Francisco two to three years before that city's AIDS epidemic. There was a relationship: amoeba produce a lectin that destroys human leukocytes, and this can speed up the time it takes for HIV-infected cells to develop signs of acquired immunodeficiency syndrome.

Any uncontrolled infection, stress, environment pollutants or any insult to the body weakens the immune system, and enough insults to the immune system can lead to the complete power failure that is AIDS.

Probing for possible avenues of acquiring protozoa and looking for their presence in the stool has helped many of my patients and can prevent years of debility and problems. Treatment is not always completely effective nor easy. But it offers the only promise of turning the patient's life around.

The more the world is said to "shrink" because every part is accessible to so many, the more we can be sure no place is completely "sanitized," and it wouldn't take too much contamination of water and, of course, food, to lead to an epidemic that could prove very difficult to contain.

LOUIS PARRISH, M.D.  
New York, Aug. 6, 1987



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## ABROAD AT HOME | Anthony Lewis

## Bork and Watergate

**T**he nomination of Robert H. Bork to the Supreme Court raises questions that cannot be lightly decided — questions of importance and difficulty. Judge Bork is a man of high intellect and distinguished experience in the law. But in his record, and in his outspoken views, there are matters that must concern the Senate and the public.

The first is a matter of history: his role in the Watergate affair. It is not history in a dusty sense. What he did then matters now, in fact and law.

Everyone remembers that Mr. Bork dismissed Archibald Cox as Watergate special prosecutor. It was Saturday, Oct. 20, 1973: the Saturday night massacre.

President Nixon wanted Mr. Cox out because he had subpoenaed White House tapes — the tapes that eventually sank Mr. Nixon. The Attorney General and his deputy would not carry out the President's order to fire the special prosecutor. Mr. Bork became Acting Attorney General and did.

Crucial questions followed immediately. Would the Office of Special Prosecutor continue? Would the subpoena for the tapes be pressed? Those questions aroused the country and brought a firestorm of public outrage down on the White House.

What was Mr. Bork's role on those questions? In 1982, at a hearing on his nomination to the U.S. Court of Appeals, he said he had dealt with them at once, the day after the massacre, at a meeting with Mr. Cox's deputy, Henry S. Ruth Jr., and others.

"I told them I wanted them to continue as before with their investigations and with their prosecutions," he said, "that they would have complete independence and that I would guard that independence, including their right to go to court to get the White House tapes or any other evidence they wanted."

The record does not support that statement.

On the next working day, Oct. 23, Mr. Bork issued an order retroactive to Oct. 21, the morning after the massacre. It said: "This order abolishes the Office of Watergate Special Prosecution Force. The functions of that Office revert to the Criminal Division." It was the Criminal Division of the Justice Department whose bungled investigation of Watergate led to the call for a special prosecutor in the first place.

Henry Ruth's recollection, like the record, differs from Judge Bork's account. In a conversation last week,

## Why his actions matter now.

Mr. Ruth said the meeting mentioned by Judge Bork was very tense. Mr. Bork told him and a colleague to brief the head of the Criminal Division, Henry Petersen, who would make the decisions on whether to prosecute and so on.

"No," Mr. Ruth said, "Mr. Bork didn't guarantee our independence in the sense of a special prosecutor. As to whether we would run into barriers if we subpoenaed this or that tape, nobody knew the answer that evening. All that was done after the firestorm."

Public outrage forced Mr. Nixon to back down. On the afternoon of Oct. 23 his lawyers amazed the court by saying he would after all comply with the tapes subpoena. On Oct. 26 Mr. Nixon said he would accept a new special prosecutor. Only after that, on Nov. 2, did Mr. Bork issue a new order

"establishing the Office of Watergate Special Prosecution Force."

The Reagan White House, perhaps drawing on Judge Bork's 1982 testimony, has credited him with saving the Watergate investigation. In a brief last month on the Bork nomination, it said:

"Immediately after carrying out the President's instruction to discharge Cox, Bork acted to safeguard the Watergate investigation and its independence. He promptly established a new Special Prosecutor's Office, giving it authority to pursue the investigation without interference. He expressly ensured the Special Prosecutor's office complete independence, as well as his right to subpoena the tapes."

That version of history contradicts not only the record but Mr. Bork's well-known views. He agreed to dismiss Mr. Cox because he thought a President had the power to remove a special prosecutor, for subpoenaing his tapes. He could hardly, then, promise the Watergate force the right to subpoena tapes. Indeed he thought, as he later testified, that the idea of a special prosecutor independent of the President was unconstitutional.

In Mr. Bork's view, Presidential power was so great that it entitled him to ignore a formal Justice Department regulation providing that the Watergate prosecutor "will not be removed except for extraordinary improprieties." A respected Federal judge, Gerhard A. Gesell, held that the regulation had the force of law and that Mr. Bork's firing of Archibald Cox "was therefore illegal."

Mr. Bork was not part of the Watergate cover-up — no one thinks that. But his view of Presidential power made him insensitive to the moral and constitutional challenge that Watergate represented. In a prospective Supreme Court justice that view is highly relevant.

## ESSAY | William Safire

## The Pope, Waldheim and Israel

**T**he Pope wears two hats: the religious cap of moral authority, which causes him to be taken seriously when he speaks of peace, and the secular cap of expediency, which sometimes requires him to do business with dictators to maintain the church presence. Sometimes those roles conflict.

For Pope John Paul II, the decision to receive Kurt Waldheim — to praise as a man of peace a liar associated with atrocities — was not ennobled by any need to protect priests from persecution. The maneuver may have strengthened the Catholic Church in largely Catholic Austria, but the Pope's political absolutism of an unrepentant Nazi collaborator cost the Vatican much moral capital.

To recoup, the Pope is writing friendly statements about Jews and scheduling audiences with Jewish leaders. These visitors will tell him that soothing words are no substitute for a deed too long left undone: the time has come for the Vatican to establish diplomatic relations with the state of Israel.

Is the Pope's refusal to let the phrase "Government of Israel" pass his lips a moral shortfall? Yes, I think so; but it would be a mistake to address the Pope with a moral argument when he is wearing his realpolitik hat. Nor is it seemly for proud Israelis to plead for the Holy See's "recognition." The way to get diplomatic movement is to show the Vatican that its present position works against practical Catholic interests.

It will help to sweep aside the phony excuses. If you ask the Apostolic Nunciature in Washington why the Vatican snubs Israel, you get a vapid document put out by the Library of Congress's Congressional Research Service summarizing the 1984 position of the Pope.

The first excuse is the absence of a peace settlement and of international-

ally recognized boundaries defining Israel and Jordan. But the Vatican has diplomatic relations with Taiwan, which not even the U.S. now recognizes, and with Iran and Iraq, who have a border dispute going.

Then there is the "unresolved status of the Palestinians." Does the Vatican really expect that issue to be resolved as a precondition to its naming of an official nuncio to Israel? No.

Supposedly the third main issue: "The Holy See has called for some form of *corpus separatum* guaranteed by international statute to assure protection of the shrines, unimpeded access and a secure and

## Soothing words won't help if the Vatican still refuses diplomatic relations.

continuing Christian presence." But the only way to move toward its goals is to negotiate; the church's desires should be a reason for establishing relations, not a reason for continued isolation.

One basic reason is never mentioned: it must stick in the Vatican's craw that non-Christians should predominate in the land of Christ. Setting aside such crusader nostalgia, another real reason for the Vatican aloofness is mentioned in passing: "the effect that de jure recognition

would be likely to have upon the Church and its members in Lebanon and other Arab countries...." That's the nub of it: the Vatican has allowed its policy to be determined by the fear of Arab reaction.

But that Vatican foreign policy resisting Israel's legitimacy has been a failure for generations. For the first half of the century, popes sought the internationalization of Palestine; that flopped. After Israel established itself in 1948, popes fell back to calling for the internationalization of the city of Jerusalem: the Arabs of Jordan would have none of that.

After 1967, the Vatican position fell back to the internationalization of the holy places; that did not happen. In recent years, that has been fuzzed to a hope that no religion will predominate, and *corpus separatum* is stressed less than the call for some "international statute" to insure Israeli respect for Christian interests, but no progress can be made without diplomatic relations.

The worst failure in the Pope's (or little-to-no) policy has been in Lebanon. In the last decade, 100,000 Maronite Christians have been killed. The Vatican policy to appease the Arab world has failed to prevent horrendous loss of life among the people it wants most to protect.

Realpolitik suggests that the Pope change the failed policy. The archaic meaning of "see" is "seat"; if the Holy See will not take its seat at the diplomatic table, it cannot play in the game of peacemaking. (The realists in the Kremlin are coming to understand that, too.)

To further the interests of Christians, the Vatican should establish normal relations with Israel. Not to make up for the Waldheim abomination; not to put moral considerations above all; but simply to give the voice of the Vatican some resonance in the Middle East.

## No More Arms for the Saudis Until They Show Friendship

By Bob Packwood and Alan Cranston

**W**ASHINGTON faced with overwhelming bipartisan opposition in the Senate, President Reagan on June 12 withdrew his proposed sale of 1,600 Maverick antitank missiles to Saudi Arabia.

But he declared that his decision was only temporary and that he would resubmit to Congress "the necessary notifications at the earliest possible date."

The White House is now informally consulting with Congress in preparation for submitting, in early September, a proposal for a \$1 billion sale of arms to Saudi Arabia. Without a doubt, the recent explosive events in Saudi Arabia have hastened the Administration's timetable on Capitol Hill.

President Reagan should be advised, however, that while the violence involving Shiite extremists in Mecca certainly merits concern, this should not and cannot serve as the justification for another indefensible sale of American arms to the Saudi Government.

The Senate is increasingly concerned about rising tensions in the region and therefore will continue to resist arms sales to the Saudis until they support the United States-sponsored peace process, help us combat international terrorism and promote other Western strategic interests in the Persian Gulf region.

A close look at the record demonstrates that Riyadh has failed on almost every count to match America's help with deeds.

Over the last decade alone, the Saudis bought \$24 billion worth of our most sophisticated arms, including F-15 fighters, Awacs aircraft, Stinger, Sidewinder and Harpoon missiles, tanks and helicopters.

Bob Packwood, Republican of Oregon, and Alan Cranston, Democrat of California, are both Senators.



In 1978, the United States sold 60 F-15 fighter planes to the Saudis, despite their opposition to the Camp David peace process and their breaking off relations with Egypt.

In 1981, on the eve of the sale of five Awacs planes to the Saudis, President Reagan promised the Senate that they would provide "substantial assistance" to the United States in promoting peace in the region. And yet today, Saudi Arabia still obstructs Egypt's efforts to reestablish full relations with the Arab world.

The Saudis thwarted the September 1982 Reagan plan for Middle East peace by threatening King Hussein with economic sanctions if he entered into direct negotiations with Israel, and by repeatedly supporting Palestine Liberation Organization objections to the Jordanian King's peace efforts. Indeed, Hussein complained about the Saudi role, characterizing it as "unhelpful."

For the last year, King Hussein has been trying to implement a West Bank development plan to foster an indigenous Palestinian leadership that is wedded to peace.

This plan is also a priority for Secretary of State George P. Shultz, who has wisely emphasized the importance of improving the "quality of life" in the West Bank and Gaza.

Several months ago, the Saudis actively moved to undercut King Hussein and bolster Yasir Arafat, the P.L.O. chief, by donating \$9.5 million to promote P.L.O. influence in the West Bank and Gaza Strip.

Time and again, the Saudis have opposed directly or indirectly other United States initiatives in the Middle East, including our efforts to combat world terrorism.

According to Mr. Arafat's envoy to Riyadh, Saudi Arabia is the "only country that has not defaulted on its obligations" to the terrorist organization. The Saudis nursed the P.L.O. to the tune of \$88 million in 1986 alone, paying the salary of Mohammed Abu Abbas, the P.L.O. central committee member who mas-

terminded the hijacking of the cruise ship Achille Lauro.

Saudi Arabia's charity extends, too, to Libya's Col. Muammar el-Qaddafi, whom the Saudis promised to support in the event of American-led economic sanctions.

In 1986, the Saudis gave an estimated \$700 million to Syria, most of which went for an extensive array of Soviet weapons, including SS-21 missiles.

Similarly, the \$14 billion that Saudi Arabia has contributed to Iraq since 1980 goes in large part, like the money to Syria, to pay the Soviet Union for arms.

Nor have past sales of American weapons persuaded the Saudis that their interests coincide enough with ours to offer military bases for American combat operations or any other highly visible American military presence.

In fact, it has been reported that the Saudis even offered Oman a \$1.2 billion bribe to

cancel its agreement giving the United States access to its military facilities.

Immediately following the Awacs sale in 1981, Secretary of Defense Caspar W. Weinberger was told during a visit to Saudi Arabia, "We don't want your Rapid Deployment Force." One Saudi general even said: "You are just arms salesmen and we pay cash."

If the Saudis are changing their tune, now is the time for public clarifications in writing from President Reagan and from the Saudi rulers about the new Saudi commitments in support of United States interests in the Gulf region and in the Middle East peace process.

Year after year, the Congress is asked to upgrade, enhance and improve Saudi military capabilities without insisting on getting anything in return.

There is no question that the withdrawn Maverick sale foreshadowed other such requests. The Administration has made no secret of its intent to push a larger package, which will include additional F-15 fighter

aircraft and a variety of tank improvements.

Today, a priority in both houses of Congress remains finding the means to best promote undeniable American strategic interests in the Gulf. Those interests include protecting the principle of freedom of navigation, preventing the region from becoming a Soviet lake, rooting out international terrorism and safeguarding oil supplies.

Finding the means to promote these interests is a difficult task. But our goals in the Gulf region are the same as they are everywhere: securing peace and stability.

To achieve our goals, should America continue our partnership in arms with Saudi Arabia?

The Senate's patience is wearing thin. The Senate firmly believes that selling the United States' most sophisticated weapons to arm Saudi Arabia is an unjustified reward for the Saudis' lack of cooperation in the peace process, in the international fight against terrorism and in the pursuit of legitimate Western strategic aims.

## What Does Education Really Cost?

By Dennis O'Brien

**ROCHESTER, N.Y.** — When I was teaching in Vermont back in the dark ages before color television, I was surprised to discover that one could start a college by buying a \$5 license from the state education department. To give Montpelier credit, \$5 could enable one to start college, but it was likely to be inspected on performance down the road.

In fact, down Route 7, some clever fellow had founded a place called Sudbury College for this minimum fee. The college occupied part of the Brandon Inn and a garage. You could tell it was a real college because it had a catalogue and an administration: one dean, as I recall. It also had students but no faculty. (The catalogue pointed out the virtues of "independent learning.")

The day of reckoning came. Among other doubts expressed by the state

Dennis O'Brien is president of the University of Rochester.

authorities about the strength of old Sudbury was the condition of its library. According to the state's review, the materials in the library — it was in the garage — were "discards from the Rutland Library and the Maine State Prison." The dean defended his collection by saying, "There's a lot of wisdom in those books."

These happy memories came to me while reading the latest statistical thriller from the Federal Department of Education on the cost of a bachelor's degree. The general conclusion is that private colleges and universities spend much more money producing a bachelor's degree than public institutions.

The report asserts that it cost \$24,713 on average to produce a bachelor's degree in 1983. Private institutions spend a lot more: \$28,386. Public institutions, on the other hand, showed notable efficiency by delivering the same product for only \$18,474. There are monumental problems with the data from which these figures are derived. For instance, in fig-

uring the cost of producing a degree in public institutions, the Department of Education ignored the fact that many state governments pick up a variety of university costs.

If I could assign retirement costs, fringe benefits, capital construction, mail, telephone and security costs to the state, I bet I could offer education at the University of Rochester at a lower cost.

Statistical twists and poor data aside, what is most intriguing about the report is the assumption that a B.A. is a B.A. is a B.A. The arch-villains of the study are "the private, doctoral-level institutions" because they are the most expensive and offer the least for the buck.

The department's statistics note that the direct costs of instruction are more or less the same in various branches and types of institu-

tions. It is the indirect costs (libraries, for instance) that burden parents who pay tuition at private universities.

The report makes a fascinating discovery: "It is believed that affluence and prestige are the major causes of high costs." This is referred to later as "the affluence effect" and is the basis of one of the four major conclusions of the report: "Rich institutions tend to spend more."

That is like saying, "Bachelors are unmarried males." It is a truism that even the Department of Education could not miss. Until I read this latest analysis, I had always thought that the difference between Harvard and Sudbury was that

Harvard spent more money to get better quality — and that was why it cost more to produce a Harvard degree. Among the exaggerated indirect costs that are not

involved in instruction (using the Department of Education's classification) is the library. I am still trying to accept the notion that better libraries do not improve the quality of education.

I cannot recall the tuition cost at Sudbury, but it is obvious that the dean had pegged his price too low. The secret of success is affluence (high tuition), which is unrelated to what you pay for faculty or library books. (Sudbury was apparently on the right track in keeping these costs low.)

When comparisons have been made in the past, the costs of producing a B.A. degree in comparable public and private institutions have been found to be about the same. Great research universities (public or private) expend large sums on extensive libraries, advanced scientific laboratories and international scholars and scientists. The basic variable in college cost per degree (not tuition price) is the educational aspiration of a college or university.

The Sudbury dean was probably on the mark about those discarded

## Faulting Federal thinking.



# A Canadian Farmer Gets Caught in a Subsidy War

Depressed world wheat prices thwarted his dream to expand the family farm.

By JOHN F. BURNS

**NORTH BATTLEFORD, SASKATCHEWAN**  
**W**HEN Ted Sagon recalls the bitter night of Nov. 21, 1985, the thing that sticks in his mind is the urge to reach for his rifle. Outside the modern bungalow that Ted and his wife, Jean, built to replace the old clapboard farmhouse that still stands on the rolling prairie, the couple's livelihood was being destroyed. In a temperature of 20 degrees below zero, a bailiff's crew with an escort of Royal Canadian Mounted Police officers worked past midnight hauling away the couple's truck, their combine harvester, a snowplow and

land as he can with borrowed equipment and no bank financing for fuel, fertilizer and other costs. This month, he watched anxiously as neighbors began harvesting, hoping that one of them would spare him a combine before his own crop withers in the field.

The Sagon's, who have four children, the oldest of them aged 7, are not alone.

Of the 66,000 farms in Saskatchewan, a province that produces half of Canada's annual grain harvest of 30 million metric tons, about 700 have gone bankrupt in the past five years. The National Farmers Union estimates that as many as 30 percent of those that remain are technically in default, or close to it, saved only by resort to laws that restrict foreclosure on farm credit. Across Canada, the picture is similar: The federal Government estimated this spring that 8 percent of Canada's 260,000 commercial farms are essentially bankrupt, with another 23 percent in serious financial straits.

A common view among farmers, Mr. Sagon included, is that much of the blame lies with Canadian banks that they say encouraged heavy hor-

figure cited by Mr. Devine was that the owner of a 5,000-acre grain farm in Montana, immediately south of here, would have received an average of \$25,000 in subsidies in 1986, his counterpart in Saskatchewan, \$8,000.

Moreover, according to Canadian officials, their subsidies, which are mainly indirect, have not had the depressive effect on international grain prices of the direct price subsidy that is at the heart of the Reagan Administration's program.

This year, the Administration has set a "target price" for wheat — in effect, a guaranteed price — of \$4.38 a bushel, roughly twice what Canadian farmers will be paid. The European farm subsidies that prompted the United States program are higher still, and Mr. Devine and many others here say the Europeans are the real villains.

"It was the Europeans who started this madness, and the Americans who followed," Mr. Devine said in his spacious, paneled office in the provincial legislature. "How can it make sense for the Europeans, with their population density and the high value of their land, to pay \$15 a bushel to

knew nothing of the financial crisis the Pockets were facing — was familiar to Mr. Katerynych.

"I've had cases where I've visited farmers who've not wanted to be seen with me in front of their neighbors, in case they should get the message that they were in trouble — and I haven't been able to tell them that their neighbors were in trouble too," Mr. Katerynych said. "It's not like it was in the Depression, when people pulled together in a crisis. These days, people look down the road and see a rival, where our fathers used to see a neighbor. They keep their problems to themselves."

It was partly because of Mr. Katerynych's encouragement that Mr. Sagon, the Biggar farmer who lost his equipment, to the bailiffs, became a symbol of defiance. When the bailiff arrived at the Sagon farm for the first time on Nov. 5, 1985, with a flat-bed truck and a crew of 30 men, Mr. Sagon, tipped off in advance, mounted a "farm-gate defense," something not tried in Saskatchewan since the Depression. With neighbors supporting him, he barred the access road to his farm, and for 12 hours, until the bailiff retreated, denied him entry.

Before Mr. Sagon could secure protection under provincial statutes, however, the bailiff was back, armed with the authority of a section of Canada's Bank Act that allows creditors to seize property without a court order. One reason feelings ran high was that Jean Sagon was eight months pregnant. Another was the feeling that the Royal Bank of Canada had chosen to make an example of Mr. Sagon, who had been through a series of stormy meetings with the Royal Bank manager in Biggar, then appealed, unsuccessfully, to the manager's superiors in Saskatoon.

"The manager chose Ted to go down because he went over his head," Mr. Katerynych said. "And he wanted to sow a mood of fear among other farmers in the area. Considering how little the bank realizes when it makes a seizure like that, you have to think that it's more an act of terrorism than a calculated effort to get their money back."

In Mr. Sagon's case, the bank held the farm equipment off the market for a year then sold it at auction, raising a small fraction of its value. In the two years since, Mr. Sagon's bills for accumulated interest alone have mounted to more than \$75,000. His lawyers are hoping to prove in the Saskatchewan court that the bank, by seizing the equipment and the cattle Mr. Sagon needed to keep the farm running, denied him the opportunity to work off his debts.

Among farmers, there are two views of Mr. Sagon. One is that he stood up for his rights against a heartless bank. Another, more common among older farmers with memories of the Depression, is that he was the victim of over-extended ambition. It is a charge that Mr. Sagon, in his quieter moments, acknowledges to be at least partly true. "When I started buying the land, back in 1975, my dad told me, 'Watch out, you can lose it all; things around here aren't going to be rosy all the time' But I figured that with two jobs, over 20 years, I'd have it paid for and have something to leave the kids," Mr. Sagon said.

In Regina, John Murphy smiles ruefully when he hears the Sagon story; he has heard of many similar disputes between cautious farmers and ambitious sons. Mr. Murphy oversees farm lending for the Royal Bank in Saskatchewan, a position in which he manages a \$600 million portfolio of loans. One allegation that irks him is that the bank, with heavy loan exposure in Latin America, is taking a tougher line with its customers in Canada than in Mexico or Brazil. "The deal we offered Ted Sagon was infinitely better than anything we've offered any third world country," Mr. Murphy said.

After 15 years in agricultural lending, the banker has reached some conclusions. Like virtually everybody else in Saskatchewan, he blames heavy government subsidies for the collapse in world grain prices. But he also maintains that the farmer, before committing himself to heavy borrowing at variable interest rates, should study long-term trends. At the same time, he acknowledges that the banks have not always been sufficiently hard-headed.

Pulling a sheaf of graphs from his drawer, he selected one showing that grain prices in 1987, expressed in constant dollars, are only half of what they were in 1945. "There's no mystery to that," he said. "Technology has made it progressively easier to grow increasingly large amounts of grain, and a falling price is one of the consequences."

The statistical verities hold little comfort for Mr. Sagon. He has plenty of time for reflection these days, and one of his regrets is that his problems have pulled at the roots that the Sagon family sank into the stony prairie ground when his English grandfather brought his grandmother to Biggar in 1908, in the first wave of homesteaders. Over dinner, Jean Sagon produced a sepia-colored newspaper clipping recording the couple's 50th wedding anniversary.

The newspaper, quoting Mr. Sagon's grandmother, said that she had recalled how "relatives in England had thought it madness for a man to bring his wife to a country where not many years before Indians had fought with settlers for possession of the land." Listening to the clipping being read aloud in his kitchen, Mr. Sagon looked out the window at his contested acreage. "I'll never give them my land," he said quietly. "I can't say how, but I'm going to work my way out of this somehow."



Ted and Jean Sagon, with Mark and Jennifer at their Saskatchewan wheat farm.

The New York Times/John F. Burns

130 head of cattle. Using a portable generator to power arc lights, they emptied the farm's bins of grain.

For Mr. Sagon, who is 35 years old, and for his wife, who is 33, it was the end of a dream. For nearly a decade, the couple, along with thousands of others across the Canadian wheatlands, had ridden a rising world wheat price as they expanded their farm. With 4,800 acres, theirs was one of the largest spreads in the vicinity of Biggar, a community 50 miles south of here that is not much more than a row of grain elevators along the railway line, a community center and a firehouse.

In 1984, a drought ravaged the Sagon's crop, and they began missing payments on the \$380,000 they had borrowed from the Royal Bank of Canada to buy the land. Meanwhile, the world wheat price, depressed by the "subsidy wars" that had broken out between Western Europe and the United States, was plummeting. The harvest of 1985 was not enough to offset the backlog of payments due, and, after Mr. Sagon had rebuffed a deal that would have given the bank title to most of the land, the bank summoned the bailiff.

"What can you do, you're helpless — except for your gun, and there was talk of that," Mr. Sagon recalled as he bounced across the prairie in a beat-up pickup, all that remains of his farm equipment. For more than a year now, he has been contesting the legality of the seizure in the Saskatchewan courts. While his case drags on, Mr. Sagon continues as a trainman with the Canadian National Railway, a second job he has held for 15 years, and works as much of his

rowing when world grain trade was buoyant, then abandoned the most vulnerable farmers as prices fell. But a visitor to Saskatchewan quickly discovers that there are other popular villains. Farmers, bankers and politicians alike heap criticism on the United States and the European Community, whose substantial farm subsidies are commonly identified here as the cause of the downward grain price spiral.

One critic is Grant Devine, the Conservative who has been premier of Saskatchewan since 1982. Mr. Devine, 43, earned a doctoral degree in agricultural economics from Ohio State University before establishing his own 1,000-acre grain farm 70 miles west of Regina, the provincial capital. Although he is one of Canada's more pro-American political leaders, he described the Reagan Administration's lavish increase in subsidies to grain farmers since 1984 as "economic nonsense" that could wreck the prairie economies of both countries.

Although Canada has extensive agricultural subsidies of its own, a number of them directed at protecting grain farmers' incomes, they have been less generous, at least in recent years, than the counterpart programs in the United States. According to Canadian Government figures, the total of all subsidies to Canadian farmers last year was \$2.2 billion, compared with about \$28 billion in the United States.

While the disparities were not hugely disproportionate to population — the United States has approximately nine times Canada's 26 million people — the difference to individual grain farmers was wide. One

wheat producers, when we can make a profit at \$4? What has that got to do with any rational calculation of comparative advantage?"

When French President François Mitterrand visited Canada in June his itinerary took him to Regina for a day, and the Saskatchewan premier used the occasion to make his case on agricultural subsidies. To Mr. Devine's pleasure, Mr. Mitterrand responded with a speech here calling for a multilateral commitment to reduce the subsidies. The issue was taken up again at the seven-nation summit conference in Venice a couple of weeks later, where it was endorsed by Mr. Reagan.

Last month, Mr. Reagan formally proposed that all "trade-distorting" farm subsidies be eliminated by the year 2000, through negotiations under the General Agreement on Tariffs and Trade in Geneva. Meanwhile, in a paradox that he is quick to acknowledge, Mr. Devine has joined the leaders of Canada's other western provinces in calling on Prime Minister Brian Mulroney to triple, to at least \$23 billion, the "special grains program" under which the federal Government made direct cash payments to farmers last year.

"We're not perfect, far from it," the premier said. "We have our subsidies too. But as an agricultural economist, as a farmer and as a premier, I can see that the current approach, with all of our governments borrowing money to pay subsidies that wreck the market for everybody, doesn't make sense."

For many Saskatchewan farmers, international action will almost certainly come too late. Between Saskatchewan and North Battleford, a distance of about 90 miles, and south to the Biggar region, "for sale" signs abound along the roadsides.

Such scenes have become familiar to Wayne Katerynych, who has had as much experience with farm failures as anyone in Saskatchewan. Mr. Katerynych is chairman of the Provincial Farm Finance Crisis Committee set up by the National Farmers Union, a job that has him crisscrossing Saskatchewan from his own farm outside North Battleford, driving hundreds of miles to counsel farmers who have run afoul of the banks. At the age of 34, he has seen numerous examples of the despair and social disruption that accompany failure.

So far, Saskatchewan has had no tragedy to compare with the events last year in Laurier, Manitoba, where Howard Pockets, a 37-year-old farmer, shot his wife, Evelyn, 38, and then turned the shotgun on himself, shortly after the couple's three children had boarded a schoolbus. But one element in the Pockets case — the astonishment of the couple's neighbors, who

# The Economy

WEEK IN BUSINESS

## An Uneasy Dollar Takes the Plunge

The dollar swooned and swayed in what at first appeared to be a delayed reaction to figures showing a deplorable and worsening trade deficit. In heavy but nervous trading, the dollar resumed a drop against the yen that many traders thought had been controlled, falling to two-month lows and spawning anxious speculation that the Federal Reserve would again have to take some action to stop the decline. But so far Alan Greenspan, the new man at the helm of the Fed, has been quiet about the state of the dollar — unlike his predecessor, Paul A. Volcker. The dollar firmed in midweek, but then fell further as bearish statements from Japan and a lack of intervention from West Germany and the United States to halt the slide traders made uneasy. Most traders, too, believe the dollar has to go still lower before equilibrium in the trade situation and currency markets can be restored. Bond prices, as usual, responded to the movement in the dollar, dropping sharply as traders worried that the weaker dollar would mean greater inflation and less attraction for bonds.

Stocks reacted strongly to the swing in the dollar and the bond markets. The Dow Jones industrial average paused briefly in its explosive rally, dropping 45.91 points on Tuesday. But foreign investors would not be denied their role in the bull market, and their trading helped spur the Dow to a 40.97-point gain on Thursday. The release of a slew of economic statistics on Friday seemed to confuse traders, and the Dow managed just a small gain, closing at a record 2,799.50, up 24.07 for the week.

Consumer prices rose just two-tenths of 1 percent in July, the smallest increase this year. Food prices fell and energy costs did not rise as quickly. The performance was better than most analysts had expected, but practically no one expects inflation to continue at such a low rate. Analysts were disappointed by a revised 2.3 percent rate in the growth of the gross national product in the second quarter, down from the earlier estimate of 2.6 percent and about half of what it was in the first quarter. The Government blamed the widening trade gap for the downward revision, but is sticking by its prediction that the G.N.P. will expand at a 3.2 percent rate for the year. Corporate profits, however, increased 4.2 percent in the second quarter, a big improvement over the 3.7 percent drop in the first quarter. Factories were at 80.5 percent of capacity in July, the best in 18 months.

The F.D.I.C. proposed eliminating regulations on bank holding companies, favoring instead regulations on individual banks in a sweeping restructuring of the banking industry. The proposal would also knock down many of the regulatory barriers between commercial banking and investment banking. But the plan, presented by the chairman of the F.D.I.C., L. William Seidman, faces some stiff opposition in Congress, where some officials believe Federal regulation is often all that prevents chaos in the banking industry.



Tom Bloom

Th S.E.C. won't sell the stock that Ivan F. Boesky surrendered as a result of his settlement of insider trading charges. Reversing a decision made by his predecessor, the new chairman of the S.E.C., David S. Ruder, said he was worried that selling the stock now could be insider trading since the S.E.C. is privy to information about the company involved — Cambrian & General, a British mutual fund — because of the insider investigation. Mr. Ruder insisted, however, that the delay was not related to criticism that the S.E.C.'s court-appointed negotiator had agreed to sell the stock for about \$20 million less than what it was worth when Mr. Boesky handed it over.

Manpower reconsidered its rejection of a bid from Blue Arrow, a big British employment services agency, when Blue Arrow raised the ante to \$82.50 a share, from \$75. Manpower, which originally stated it was looking for ways out of the unsolicited offer, recommended that its board accept the sweetened \$1.3 billion buyout, and the board concurred.

General Foods will restructure, breaking up its main lines of businesses into three companies — Oscar Mayer Foods, General Foods U.S.A. and a coffee and international group. General Foods, now a part of Philip Morris, apparently is trying both to eliminate layers of management and cut costs to increase profits.

Ronald O. Perelman was rebuffed again in his bid to buy Gillette. Mr. Perelman must get permission from the Gillette board to even make an offer, but analysts say he may simply be trying to entice other bidders so he can sell his stake at a profit.

Miscellaneous. Oil prices continued to slip, falling under \$19 a barrel in the United States spot market. Argentina signed a \$34 billion loan package, including \$1.95 billion in new loans and lots of rescheduling. The Hawley Group of Britain bid \$635 million for ADT, a big American security services company.

### The New York Stock Exchange

MOST ACTIVE STOCKS WEEK ENDED AUGUST 21, 1987 (Consolidated)				
Company	Sales	Last	Net Chng	
BlockE	2,660,100	5%	...	
Echay	2,041,300	25%	+ 3/4	
WangB	1,655,900	17%	- 1/4	
HartE	1,558,300	5%	- 2%	
TexAir	1,408,400	36%	+ 1/2	
Amdehl	1,366,700	43%	+ 1/2	
HmeShp	1,348,900	14%	...	
LOTel	1,348,500	16%	+ 3/4	
Bat	1,105,300	10%	+ 3-1/8	
WDight	1,068,900	28%	+ 1/2	

Standard & Poor's				
400 Indust	392.8	380.2	392.3	+ 2.96
20 Transp	274.2	264.7	269.7	- 4.46
40 Util	121.1	118.1	120.8	+ 0.21
40 Financial	32.6	31.6	32.2	- 0.08
500 Stocks	336.3	322.8	335.9	+ 1.91

Dow Jones				
30 Indust	2735.4	2626.5	2708.5	+24.07
20 Transp	1103.5	1061.5	1086.8	-14.49
15 Util	214.5	207.1	210.5	- 3.20
65 Comb	996.3	962.5	988.6	- 0.44

### The American Stock Exchange

MOST ACTIVE STOCKS WEEK ENDED AUGUST 21, 1987 (Consolidated)				
Company	Sales	Last	Net Chng	
Phila El	24,981,800	21%	- 3/4	
AT&T	13,244,100	34%	...	
IBM	10,019,200	174%	+ 1 1/2	
Gen El	9,921,400	65%	+ 1 1/4	
Navistr	7,609,900	8	+ 1/2	
ACM G	7,523,400	12	...	
A exp	7,375,500	39	- 3/4	
Gillette	6,809,300	42	+ 1 1/4	
Salomn	6,367,500	37%	+ 1 1/4	
Chrys	6,303,600	47	+ 1 1/4	
Nie MP	6,218,400	15%	+ 3/4	

MARKET DIARY				
	Week	Last	Prev.	
Advances	413	425		
Declines	466	444		
Unchanged	146	150		
Total Issues	1,025	1,019		
New Highs	72	117		
New Lows	49	52		

VOLUME				
(4 P.M. New York Close)	Week	Last	Year	To Date
Total Sales	62,580,620	2,247,894,700		
Same Per. 1986	44,531,555	2,020,289,504		

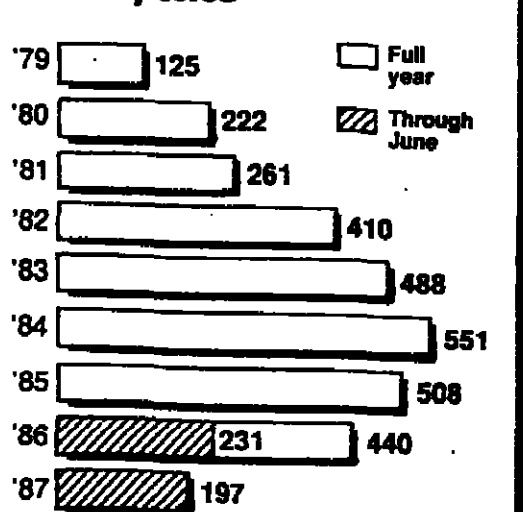
MARKET INDEX				
	High	Low	Last	Net Change
Composite	364.57	356.58	363.47	-0.14

WEEK'S MARKET AVERAGES				
	High	Low	Last	Net Change
New York Stock Exchange	230.6	224.1	230.4	+1.66
Indust	188.0	182.2	185.0	-3.16
Transp	80.3	78.4	79.8	-0.23
Util	165.5	161.8	164.4	-0.20
Finance	187.7	182.8	187.5	+0.82

MARKET DIARY				
	Week	Last	Prev.	
Advances	1,009	1,281		
Declines	942	702		
Total Issues	2,204	2,202		
New Highs	266	421		
New Lows	58	58		

VOLUME				
(4 P.M. New York Close)	Week	Last	Year	To Date
Total Sales	932,121,370	23,420,652,218		
Same Per. 1986	632,131,180	22,639,621,973		

### Canadian Farm Bankruptcies



Source: Canadian Government Ministry of Consumer and Corporate Affairs

The New York Times/Aug. 23, 1987



ANTS CAN BE a nuisance in the garden, unlike bees, which we discussed in our column of August 10.

The population of an ant community, like the bee community, is divided into three castes: males, females and workers. Ant communities are not ruled by a single queen. There are no killings of rival queens as in the bee hive. The egg-laying females do not benefit from a special (royal) food nor do they have special bodyguards. Since many females (and not one, like the queen of the bee) become fertilized and create new communities by laying thousands of eggs, I would call the ant community a "princely dominion" rather than a "monarchy."

Winged males and females mate in the air in summer. The males die soon afterwards, and the females first get rid of their wings and then bury themselves in the ground, where they manage to stay for months without food and fresh air, laying tens of thousands of very small eggs. Each female thus lays the cornerstone for a new ant colony.

Soon, young ants hatching from the eggs, larvae and pupae, start their underground activities. They prepare store rooms for food and eggs and "nursery rooms" for their offspring. They also build roads and side paths. After the first rains, during October in this country, they can be found everywhere in the garden.

There are thousands of species of ants. There are carnivorous hunter ants and herbivore harvesters. The giant termites which are very dangerous and organized in a community with a king and a queen are not related to the common ants.

Organic gardeners have found that ants will keep away from lines of bone meal or powdered charcoal. Many gardeners use insecticides like malathion to keep ants off plants. Some gardeners also recommend squeezing lemon juice at the lines of "traffic" and leaving the sliced peel there.

Ants can be a nuisance on the lawn where the soil is light and dry. The easiest way to control them is to put

## Ants in your plants

GARDENER'S CORNER/Walter Frankl



on the sprinklers. They do not like the moisture and will move away. Ant tunnels make the soil dry out around the roots of the plants, causing the grass to die.

The nests can be located by putting down a little granulated sugar. The ants will seize the sugar and can be easily traced as they carry it back to their nests which can then be treated with a malathion spray.

Many other insects are associated with ant colonies. Aphids, for example, are actually controlled by the ants. Aphids cluster on leaves and stems, where they suck sap, causing curling leaves and an ugly appearance. Severe infestation causes a general loss of plant vigour and stunting, with reduced yields.

Aphids excrete excess sugar and sap in a liquid called "honeydew," which makes leaf surfaces sticky and supports the growth of a black mould that can block light from leaves. Ants feed on honeydew and so valuable is this food source that some species of ants tend aphids as man-

does cows. The very intelligent ants place aphids or aphid eggs on top of the plants where the young and tender leaves produce the best sap and "milk" them for the honeydew.

Amazingly, ants appear to distinguish colours. They seem to know the advantages of camouflage, as they put green aphids on the green tops of roses, grey ones between the large, greyish leaves of cabbages, they collect black aphid eggs for the tops of broad beans which have natural black spots on their flowers and upper stems. They also transport yellow aphid eggs to the stem tops of oleander bushes or asclepias (Sodom apple) plants, where they fit completely into the structure of these plants, becoming visible only when the plants start to wilt. The ants visit their "milk cows" daily, often nightly as well, to collect the honeydew, which is a valuable nutrient for their young.

My balcony garden, for instance, is full of decorative edibles like red tomatoes and cabbages among fuchsias and flowering geraniums. Soon they'll make room for blooming autumn chrysanthemums and afterwards tulips and hyacinths. The containers need not be expensive balcony boxes. Large tins, buckets or plastic pots will do the job.

A window box method long in vogue in Europe is to leave the plants in their pots and merely rest or plunge them into the window boxes. Fill the remaining space with an ordinary soil mix. The plants can be turned around, taken out to be repotted, fed or sprayed, removed when they have passed their prime, and, of course, brought indoors for anti-frost protection.

ABOUT A THIRD of my plants are grown in containers. When we

moved into our flat about 40 years ago there were so many moles in the soil that only a few of our flowers or shrubs survived. The moles, building their underground tunnels and nests by burrowing and throwing up earth, killed most of our garden plants. Neither hosing nor poison bait helped rid us of this garden pest. Then I tried containers and that solved the problem. As more houses were built in our vicinity, each one with a shelter, the moles were driven away, but I have since learned that container gardening has many advantages and I continue it to this day.

As a gardening form it is hardly new, for it dates back to the most ancient cultures. Today, however, the emphasis is upon new, instant effects.

More and more roof gardens can be seen in Tel Aviv and elsewhere in the country where trees and shrubs or combinations of plants are grown in huge wooden or concrete planters, mostly supplied by a hydroponic, fully automatic watering and feeding system. The most appealing aspect of the outdoor container garden, however, is its portability. Plants can be changed to other locations much as you move furniture in the home.

My balcony garden, for instance, is full of decorative edibles like red tomatoes and cabbages among fuchsias and flowering geraniums. Soon they'll make room for blooming autumn chrysanthemums and afterwards tulips and hyacinths. The containers need not be expensive balcony boxes. Large tins, buckets or plastic pots will do the job.

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## BASEBALL

### Best of times for the Phillies

PHILADELPHIA (AP). — The Philadelphia Phillies and pitcher Mike Maddux are doing the right things at the best possible time.

Maddux pitched five-hit ball over seven innings as the Phillies blanked the Los Angeles Dodgers 2-0 on Saturday. It was the Phillies' fifth straight victory and 12th in their last 14 games. The Phillies trail first-place St. Louis by 6½ games in the National League East.

"I just went out there trying to throw good pitches, not going after strikeouts," said Maddux, who was 3-7 for the Phillies in 1986. "I was more relaxed today than before. The way this team's been playing, I felt if I could hold it close, we'd have a good chance."

Maddux, 1-4, was activated on Saturday after being recalled from Maine of the International League. He walked once and struck out three.

Los Angeles starter Rick Honeycutt, 2-12, lost his 11th straight game as the Dodgers were shut out for the 13th time this season.

Kevin Bass' one-out solo homer in the top of the 11th inning gave Houston a 5-4 victory over Chicago at Wrigley Field. Their eighth win in their last nine games.

Larry Anderson, 8-4, pitched two scoreless innings after Mike Scott allowed four runs and eight hits in the first eight. Dave Smith pitched the 11th for his 21st save.

Terry Pendleton's two-out, bases-loaded triple in the seventh inning gave St. Louis a come-from-behind 9-7 victory over the Cincinnati Reds.

The Cardinals, who trailed 7-1 after four innings, were down 7-5 entering the seventh, when Pendleton finished a four-run rally.

Tim Lincecum's triple with none out in the 10th inning scored Mitch Webster from first base to lift Montreal 5-4 over San Francisco.

Webster led off the inning with a

single off Craig Lefferts. 3-5, and Raines followed with a drive that fell in front of a diving Chili Davis in right field.

**AMERICAN LEAGUE**  
Milwaukee's Paul Molitor celebrated his 31st birthday with a pair of hits on Saturday night, extending his hitting streak to 37 games. But Kansas City's Jamie Quirk spoiled the party for Molitor, the Brewers and the 37,740 fans at County Stadium.

Quirk had a grand slam and a tie-breaking RBI single as the Royals beat the Brewers 8-7.

Molitor opened the bottom of the first with a sharp single to right field off Kansas City starter Bret Saberhagen on a 2-2 pitch. He also singled in a run, grounded out twice and walked and is now hitting .423, 66-for-156, during his streak.

His 37-game streak ties him with Tommy Holmes for the fifth longest in major-league history. It's the longest in the major leagues since Pete Rose hit in 44 straight games in 1978, and is the longest in American League history since Joe DiMaggio set the major-league mark at 56 games in 1941.

The loss left the Brewers eight games behind Detroit in the American League East.

Quirk hit his grand slam in the sixth, then singled in the winning run in the eighth.

Wade Boggs hit his 21st home run with two out in the seventh inning, lifting the Boston Red Sox to a 6-5 victory over the Minnesota Twins.

Rookie Mike Greenwell and Dave Henderson also hit solo homers as the Red Sox handed Minnesota's AL West leaders their fifth loss in a row.

Gene Nelson earned his first victory as a starter in nearly two years and Tony Bernazard drove in three runs, leading the Oakland Athletics to a 6-0 victory over the New York Yankees.

Nelson, 6-3, allowed four hits, struck out five and walked none in 6½ for his first win as a starter since September 23, 1985, at California.

Oakland pulled to within two games of American League West leaders Minnesota. The Yankees have lost three straight and 11 of 13.

Rance Mullins broke up a scoreless duel with a two-run homer in the seventh inning as the Toronto Blue Jays stayed in a virtual tie for first place in the American League East with a 2-0 victory over the California Angels.

Rookie Jose Nunez, a last-minute substitute for scheduled starter Jimmy Key, blanked California on two hits for 6½ innings, and Tom Henke recorded his 50th save with 2½ scoreless innings.

**AMERICAN LEAGUE EAST**

	W	L	Pct.	GB
St. Louis	72	50	.590	—
Minnesota	68	54	.557	4½
New York	68	54	.557	4½
Philadelphia	68	54	.557	4½
Chicago	62	60	.504	10½
Pittsburgh	53	70	.431	19½

**WEST DIVISION**

	W	L	Pct.	GB
San Francisco	64	60	.516	—
Houston	61	63	.492	1½
Cincinnati	61	63	.492	1½
Atlanta	54	69	.439	10½
Los Angeles	54	69	.439	10½
San Diego	51	72	.412	12½

Saturday's Games: Philadelphia 2, Los Angeles 0; Houston 5, Chicago 4, 11 innings; St. Louis 9, Cincinnati 7; San Diego 8, New York 3; Montreal 5, San Francisco 4, 10 innings; Atlanta 10, Pittsburgh 3.

**NATIONAL LEAGUE EAST**

	W	L	Pct.	GB
Detroit	72	48	.598	—
Toronto	71	50	.585	—
New York	69	54	.561	4
Milwaukee	65	58	.528	8
Brewers	64	60	.514	10½
Baltimore	56	67	.458	18½
Cleveland	46	76	.377	28½

Saturday's Games: Boston 6, Minnesota 5; Detroit 6, Cleveland 4; Oakland 4, New York 0; Kansas City 8, Milwaukee 7; Texas 8, Chicago 6; Montreal 2, California 0; Seattle 14, Baltimore 6.

## TENNIS

### Shriver cries for joy after beating Evert

TORONTO (AFP, Reuter). — Pam Shriver was in tears after realizing a dream here on Saturday when she eliminated top seed Chris Evert in the semi-finals of the Women's Canadian Open.

Tears of joy rolled down third-seeded Shriver's cheeks after she won 6-4, 6-1.

"I have never played a match like that in my life," Shriver told Evert as they shook hands after the clash.

In 18 meetings with Evert since 1978, Shriver had never managed a single victory.

In the final Shriver will meet her compatriot fifth-seeded Zina Garrison, who put out West Germany's Monaco-based Bettina Bunge, seeded eighth, 6-2, 6-3.

Shriver played the whipping winds at the National Tennis Centre better than Evert en route to victory. After sending a drop shot beyond Evert's reach to end the 75-minute match, Shriver's eyes watered when she met her long-time rival at the net.

Afterwards, her voice cracking with emotion, Shriver, 25, told reporters: "You have to play a near perfect match to beat Chris and I should know after 18 imperfect matches."

"I thought I'd never beat her before she retired. I'm thrilled because she's going to go down as one of the greats and I can tell my grandkids that I once beat Chris Evert."

The 32-year-old Evert said she felt relieved that Shriver had finally beaten her.

"The match was long overdue," said Evert. "The pressure is off me now because it was almost like every

time I would face her I'd think, 'Oh God, is this going to be it?'"

In Cincinnati, third seed Boris Becker won an easy victory on Saturday to advance to the final of the \$375,000 ATP Championships against second seed Stefan Edberg.

Becker beat eighth seed Anders Jarryd 6-3, 6-3 in the semifinal.

Jarryd had beaten Becker in their previous two meetings but was surprised by the West German's baseline attack. Becker served well and rallied with Jarryd from the backcourt.

"Boris served well," Jarryd said. "but the main thing was he played so well from the baseline. He never missed on his groundstrokes."

Edberg played near-flawless tennis to beat fourth seed Jimmy Connors 6-2, 6-3, who appeared to be hampered by a problem with his right foot.

Israel's Amosmanian, seeded 12th, was beaten in three sets by Soviet Fedor Mena in the quarter-final of \$25,000 ATP Challenger Series tournament in Istanbul.

## A basketball dream come true

BOSTON (AP). — The Milwaukee Bucks, the Soviet national team and European champions Tracer Milan of Italy will play in a round-robin tournament in the first meeting of a National Basketball Association team with international opponents.

The tournament, to be played on October 23-25 at the Mecca Arena in Milwaukee, is a joint international undertaking between the NBA and the international governing body for basketball, Fiba.

"This is something basketball fans around the world have talked about and eagerly anticipated for many years, and it's exciting that it will soon be a reality," NBA commissioner David Stern said.

The tournament will consist of three games, with the Bucks playing Tracer Milan on October 23, the Soviets meeting Tracer Milan on October 24 and the Bucks and the Soviets meeting in the finale on October 25.

The winners of the tournament will get \$50,000, with \$30,000 dollars to the runners-up and \$20,000 to the third-place team.

"We have a representative, solid, winning NBA team," Stern said. "We would not be embarrassed to lose a game, we would be surprised. But we believe that international teams have improved enough to be competitive."

Stern said the Bucks were chosen because "we wanted a team that would win, but we were afraid it would scare off the international teams" if the Boston Celtics or Los Angeles Lakers were selected.

"We want nice, friendly games that we win," Stern said.

Milwaukee centre Jack Sikma said he was looking forward to the competition. "It's going to be exciting to be involved in that," he said. "I've never had the opportunity to play against a Soviet team at any level. It comes at a good time, between the start of training camp and the exhibition season. It will be fun."

Stern said the rules for the games have not been finalized, although some defences, illegal in the NBA probably will be allowed. "As hosts, we are likely to treat our guests well and learn toward international rules," Stern said. "But perhaps we will have 12-minute quarters."

International rules provide for 30-minute halves.

## CRICKET

### Right spirit

LONDON (AFP). — Rivals Mike Gatting and Alan Border are planning a champagne finish to the MCC's 250th birthday party at Lord's here.

Although no deals are likely before a time draw would be an anti-climax after such sparkling entertainment.

Gatting's MCC team, and Border's Rest of the World side, have struck just the right balance so far, clearly enjoying themselves on a classic occasion while giving capacity crowds full value for money.

Everyone was keen to play in the right spirit from the start," said Border. "But at the same time, we wanted it to be as serious as possible."

Those aims have been fully achieved so far. Whatever happens, the MCC Bicentenary has already been blessed with three marvellous centuries on a pitch made for batting. Graham Gooch (117) set the pattern on Thursday, Gatting (149) must even better on Friday, and then, on Saturday, Small Gavaskar topped them both with 188.

**PAN AM GAMES**

INDIANAPOLIS. — Cubans were the kings of the ring and the diamond on Saturday as they dominated boxing and beat the U.S. for the baseball gold medal on the penultimate day of the Pan American Games.

Cuban boxers enjoyed a perfect day, picking up five gold medals in five bouts. The Cubans won in the bantamweight, welterweight, lightweight, middleweight and heavyweight divisions.

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## Pironi dies

LONDON, Reuter. — Former French racing driver Didier Pironi was killed when his powerboat crashed in a race off Southern England, police said. His teammates, Bernard Groux and Jean-Claude Guenard were also killed.

WATER POLO. — The Soviet Union won the European water polo title for the third successive time when they held world champions Yugoslavia to a 9-9 draw in their final match yesterday.

## SWIMMING

### World record

STRASBOURG, Reuter. — Tamas Darnyi of Hungary broke the men's world 200 metres individual medley record on the final day of the European Swimming Championships yesterday.

Darnyi clocked two minutes 0.56 seconds to beat the mark of 2:01.42 set by Canadian Alex Bauman at the 1984 Los Angeles Olympics.



Al-Latica-Honda Rosenberg, violin, and conductor Eliezer Ha'iti with the Haifa youth orchestra rehearse in Barcelona's cultural hall.

## Haifa youth ensemble back from Spanish tour

Esther Reuter

THE HAIFA Youth Symphony Orchestra has just returned from Spain, where it participated in several international festivals for young musicians, including the 101-year-old Valencia festival for brass orchestras in which it was classified among the three best groups.

Other concerts were given at Toledo, Barcelona, etc. At the cathedral in Llanes the musicians were warmly greeted by the cardinal, who listened attentively to the explanations and

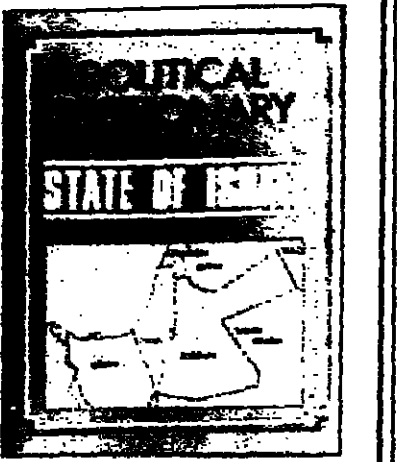
performance of Bruch's *Kol Nidrei*. Other concerts took place at palaces and even in a bullring.

The conductor was Eliezer Ha'iti and soloists were Daniela Buchbinder (cello), Eliezer Gutman (violin) and 16-year-old violinist Al-Latica-Honda Rosenberg, who is of Jewish-Japanese origin and lives in Germany. The orchestra received good reviews and brought back two medals, one from Toledo.

## POLITICAL DICTIONARY OF THE STATE OF ISRAEL

Edited by Susan Hattis Rolef

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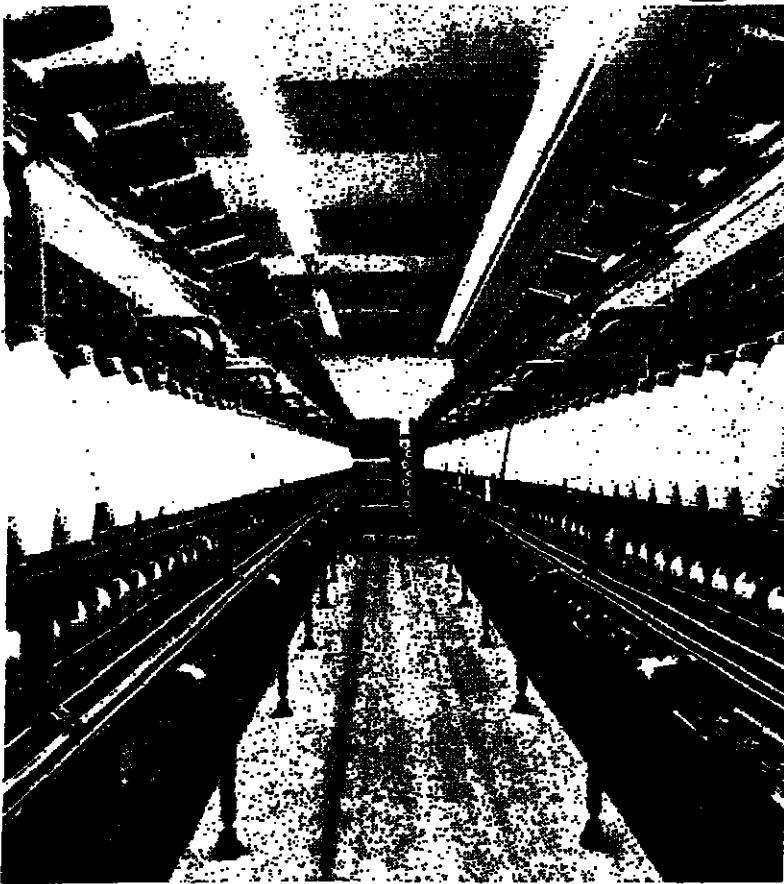
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# Israel is luring foreign textile makers



(David Rubinger)

By GREER FAY CASHMAN

Jerusalem Post Reporter  
Israel's textile and fashion industry has suddenly become an important site for foreign investment. Americans, aware that there are lower levies on Israeli exports to European Community countries, want to utilize Israel as a stepping stone to European markets, while European garment manufacturers, which are seeking the same kind of easy access to the highly coveted

American market, are similarly keen on using Israel as a good conduit. More recently, East Asians trading in textiles and fashion goods have come to see Israel as a means of bypassing the stringent quotas imposed by the U.S. on imports from the Far East and Third World countries.

By setting up production plants here foreign investors can take full advantage of diminishing-tariff and no-tariff agreements which Israel

has with the U.S. under the Free Trade Agreement (FTA) and with the EC. In addition, Israel is not subject to textile quotas. Furthermore, they also benefit from all the incentive perks accorded by the government to newly approved enterprises, as well as the shekel's 60 per cent linkage to the U.S. dollar. That protects them from the currency fluctuations that have boosted the cost of imports into the U.S., especially from Western Europe.

Hannah Weiss, deputy director of the Textiles and Light Industry Division of the Ministry of Industry and Trade, has been touring the country's major production plants for the past week to demonstrate Israel's production capacities to representatives of a large South Korean trading company. The South Koreans are keen to manufacture both knitted and woven garments here. It is the second group to come from South Korea to check out Israel's potential.

Even in Hongkong, where cheap labour and low taxes have enabled it to produce finished goods that find their way to almost every market in the world, there is more than a passing interest in establishing manufacturing facilities in Israel.

The Hongkong connection, if it comes to fruition, could be of huge economic significance. Of China's \$7.5 billion worth of textile and fashion exports last year, \$2b. went to the U.S. But the U.S. has been tough on imports from China like other Far Eastern countries, a problem that could be overcome by finishing the garments here, thus circumventing the U.S.'s quota on Chinese goods. As much of the work in China is contracted by Hongkong firms, diplomatic ties (or the lack of them) pose no problem.

A China connection is many years away, but investments from South Korea are at hand. Weiss says South Korean delegation, who she won't identify, is willing to open a plant that employs between 500 and 600 people. They're not fussy about the location, all they want is an assurance of a large and reliable workforce.

How much are they prepared to invest?

That really depends on the nature of their operation. Still undecided about whether to launch a fully vertical set-up or whether to enter into a joint venture with an established Israeli company familiar with local bureaucratic pitfalls, the South Koreans are currently analyzing the data acquired during their survey mission.

No less interested in exporting to America via Israel is Escada, West German fashion concern, which believes it can improve profitability by manufacturing in Israel and selling from here to the U.S. and other EC countries. Escada is one of several West German companies exploring investment opportunities here.

There has also been feelers from French and Belgian groups, says Weiss.

Investment in new and expanded fashion and textile factories and the expansion of existing plants was \$52 million last year, a 65 per cent increase from the previous year. Most of the capital, according to Weiss, came from the U.S. Given the growing strength since the second quarter of 1985 of European currencies against the American dollar, Weiss says she is confident that the growth trend in fashion and textile investments will continue.

Historians will look back on 1985 as the turning point in Israel's textile

and fashion industry. After four lean years in which exports suffered a downward spin, there was a welcome upswing as the European economies set out on the road to recovery. It was also the year Israel's FTA with the U.S. took effect.

Exports in textiles and fashion last year (including leatherwear) totalled \$476m. This was more than 20 per cent higher than figures achieved in 1985, \$382m. Fashion goods alone in 1985 accounted for \$258m. worth of exports, rising to \$328m. last year. The gains have continued this year, with \$31m. worth of fashion exports recorded from January to March. A 24 per cent increase is expected by the time the last order is signed for the current fiscal year. Together with textiles, that will bring exports to \$570m. this year.

Sixty eight per cent of fashion exports are sold to Western Europe and 24.5 per cent to the U.S.

The Polgar companies together with Israel image fashion houses Gortex and Gideon Oberon are conspicuously absent from the list of 51 participants in Israel Fashion Week which opens tomorrow at the Laromme Hotel in Jerusalem. The truth is that none of these companies do sufficient business at Fashion Week to justify their participation. Their orders are in hand far in advance of Fashion Week.

If exports and investments are growing, attendance at Fashion Week is not. The hordes of buyers who turned up in the 1970s but dwindled to less than 100 at the beginning of the decade have yet to return. By Friday of last week, only 80 buyers had pre-registered, though Miri Beckenstein, director of the Fashion Centre at the Israel Export Institute, was optimistic that more would arrive by tomorrow.



LABOUR PAINS. - Korean police clash with demonstrators earlier this summer. (AP)

## Labour unrest won't damp Korean growth

By MOON IHLWAN

SEOUL. - The South Korean economy is strong enough to weather the current wave of labour unrest without too much difficulty, South Korean officials and Western analysts say.

"Some foreign investors have started to take a wait-and-see attitude, but most are optimistic about the long-term prospects for the South Korean economy," says market analyst George Robinson of W.I. Carr (Overseas) Ltd.

If the unrest ends by early September, the economy would still achieve official targets, says Kim Chung-Su, economist at the Korea Development Institute, a government think-tank.

"The labour disputes had been widely expected since July when the government bowed to weeks of street demonstrations and agreed to demands for democratic reform," a Western diplomat says. "I am confident the South Korean economy will successfully tackle the problem and continue to expand."

Economists and foreign bankers contacted agreed that the economic boom in the first half of this year would cushion the effects of the strikes and stoppages now disrupting the country's export-driven economy. The central bank said last week that the gross national product grew a real 15.3 per cent in the first six months of 1987.

The half-year's GNP growth was the highest in nine years, and compared with 11.6 per cent in the first six months of 1986 and the government's target of 8 per cent for the whole of 1987.

Nearly 1,300 companies have suffered labour disputes since July 1 when the military-backed government of President Chun Doo Hwan conceded democratic reforms, police say. Production in the vital auto industry stopped for two weeks and last week more than 400 companies

were still affected by strikes or other disruptions, they said.

In 1986, only 226 companies suffered disputes.

Trade Ministry officials say labour unrest has so far cost over \$700 million in lost production and exports.

Robinson and other analysts say South Korea's economy outperformed targets until July, but labour strife across the country is sure to slow it down in the months to come.

The balance-of-payments surplus rose to \$5.23 billion in the first seven months of 1987. That is five times the \$1.01 b. for the same period last year, and already better than the official target of five billion for the whole of 1987.

Kim Chung Su says if labour unrest ends by early September, GNP growth would still hit 11 per cent this year. Kim says the current account surplus would exceed \$7b. and consumer price rises would be held at around 3 per cent, all either on target or above official targets.

"But if labour problems drag on, GNP growth could fall below 10 per cent this year and to around 5 per cent in 1988, while the current account surplus is kept to about \$5b. in 1987 and \$3b. next year," Robinson says.

But if labour problems drag on, GNP growth could fall below 10 per cent this year and to around 5 per cent in 1988, while the current account surplus is kept to about \$5b. in 1987 and \$3b. next year," Robinson says.

Economists, bankers and company analysts agree, however, that meeting worker's wage demands to end the current labour strife could fuel inflation.

(Reuters)

## Whatever happened to Egypt-Israeli trade?

By KEN SCHACHTER

For The Jerusalem Post  
TEL AVIV. - A high-visibility sale of Egyptian goods by an Israeli department store chain has again raised the prickly issue of bilateral trade levels.

The Kol Bo Shalom Department Store chain dispatched an experienced buyer to the El-Hall suk in Cairo. The buyer, a Nazarene, returned with pewter plates, hand-made stools, intricately designed handbags and cleverly sculptured walking sticks valued at well over

NIS 10,000. The goods will be displayed at the chain's stores in Tel Aviv and Haifa during its two-and-a-half week "Egyptian Fair."

But the exhibition begs the question: When will Egyptian stores start running "Israel Fairs"?

Despite an eight-year-old peace treaty between the two countries, trade experts say that Egypt is unlikely to significantly expand its commercial ties to Israel anytime soon.

At public forums, Egyptian Ambassador Mohammed Bassiouny frequently points to unresolved poli-

tical questions, such as the Tabat dispute and the treatment of Palestinians, as factors inhibiting trade. But economists maintain that market forces play an even larger role in restraining Israeli exports.

For the first quarter of this year, Egyptian exports of goods to Israel, not including oil, rose to \$600,000, compared with \$500,000 for the first quarter of 1986. For the same period, Israel sent goods worth \$800,000 to Egypt versus \$1.9 million in 1986. For all of 1986, Israeli exports to Egypt totalled \$6.9m.,

while Egypt sent Israel \$3m. in non-petroleum goods. In 1985, the export situation was roughly the same for Israel (\$7.6m.) and somewhat worse for Egypt (\$700,000).

What all this amounts to is barely a flicker on Israel's trade picture. Last year, Israel's exports to Egypt accounted for 0.1 per cent of the total, while Egyptian products amounted to 0.05 per cent of goods imported by Israel.

Gideon Fishelson, an economics professor at Tel Aviv University, said domestic factors in Egypt play a

major role in hindering imports.

"First of all, the foreign exchange situation in Egypt is very bad," he said. "Egypt is very short of foreign exchange. It means Egypt is not allowing any imports except the most needed goods."

A second factor involves the increasingly fierce international competition for export markets. Fishelson noted that some countries will help importers finance the purchases. For example, a West German exporter will arrange for a domestic bank to grant a loan to an Egyptian importer who is buying his products. The importer can take the West German goods on a five-year loan at 6-7 per cent annual interest. Aggressive exporters like West Germany and Italy offer favourable terms in an effort to stave off unemployment.

By contrast, Israeli companies, which have to pay real interest rates of 30-40 per cent, are at a disadvantage.

"Israeli exporters are always short on cash," he said. "In those circumstances, it's difficult to compete unless they need your product. In military goods, they pay cash. In diamonds, they pay cash."

Egypt, however, is not a major market for diamonds and Israel is loath to sell military hardware to its, in some ways, enemy. Further, Egyptian importers seeking high fashion products generally prefer to import from Italy and Paris rather than Tel Aviv.

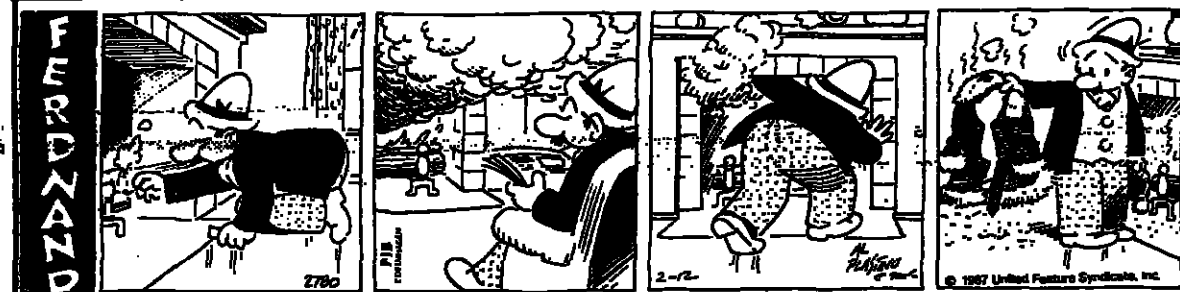
"On purely economic grounds," Fishelson said, "it's difficult for Israeli companies to compete."

Additionally, Fishelson said, Egyptian government policy harms trade. "I do believe the Egyptian government discourages imports from Israel," he said, maintaining that primary weight should be given to the economic forces.

What trade there is, he noted, involves goods in which either country has a special advantage. Egypt sells Israel cotton yarn for textiles, while Israel uses its geographical proximity to market a variety of foodstuffs.

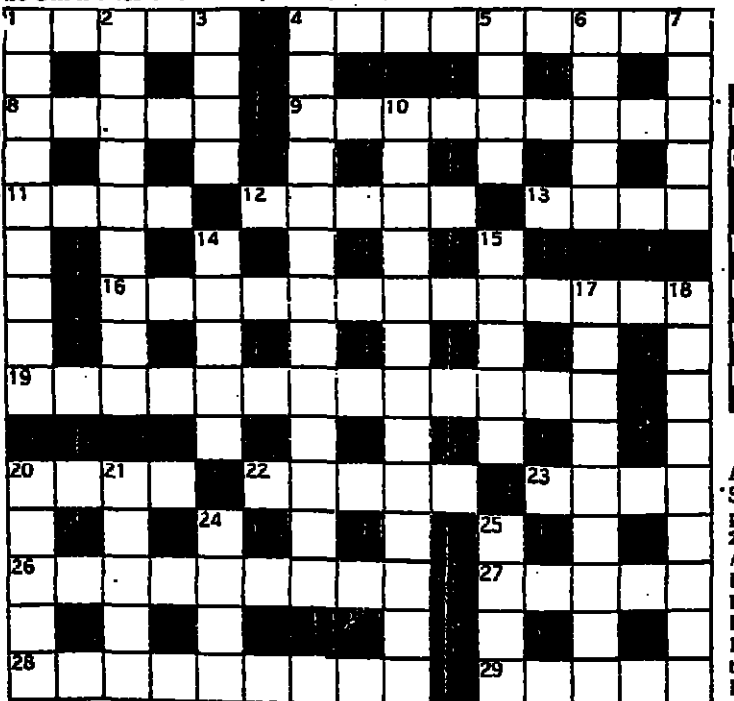
But from any angle, the picture of bilateral trade is a far cry from the visions raised by the Camp David peace process.

"You're writing a story about Israeli-Egyptian trade?" said one Israeli economist contacted by a reporter. "You'll have to write a very short story."



### CROSSWORD

- ACROSS**
- In a theatre he heads off the pusher (5)
  - Sculptor's easiest medium if he wants a clean-cut figurine? (9)
  - Made a brave effort despite tortuous dread (5)
  - Alternatively admit someone else knows (9)
  - Forcible seizure of cheap fodder for sheep (4)
  - A stop of mine which disturbs poets (5)
  - Just Cockney joke (4)
  - Having confused communications pushes on for breakfast (9,4)
  - An aid to crossing two streets around Essex forest before one (8,5)
  - Gin makes one a bit upset (4)
- DOWN**
- 22 Hair standing on end—no wonder! (5)
  - 23 Staunch part of the sapling (4)
  - 26 Flutes or tin whistles for instance carried by Amazon hunters (4-5)
  - 27 Croak disturbance represented a victory for Clive (5)
  - 28 Peruse by habit, yet post the letter on unopened (9)
  - 29 A knotty little problem (5)
  - 1 Equipped with weapons—in shoulder holsters apparently (5,4)
  - 2 Type of porcelain produced by leaving the top off the glue-pot (4,5)
  - 3 Went by road one might say (but didn't walk) (4)
  - 4 Fair play ensured by steamer going around harbour to sign on crew (1,3)



**Yesterday's Solution**

SPATCHCOCK AUDEN  
CHILDREN UNICE  
BENT TAPPAUL  
BIG AND COOLED  
RILSI  
LIGAMENT NAPS  
VDGYTES  
HIKING GEMSTONE  
SOSIEAI  
STILT MAINBRACE  
EINTDK

**QUICK SOLUTION**

**ACROSS:** 1 Aside, 4 Oppress, 8 Sojourn, 9 Oiled, 10 Litter, 11 Oedipus, 13 Send, 15 Emboss, 17 Decent, 20 Play, 22 Goodbye, 24 Eaten, 26 Award, 27 Scatter, 28 Pattern, 29 Harem. **DOWN:** 1 Absolve, 2 Idiot, 3 Express, 4 Option, 5 Proud, 6 Eclipse, 7 Sides, 12 Edda, 14 Epsy, 16 Buoyant, 18 Evewash, 19 Tantrum, 21 Lesson, 22 Grasp, 23 Budge, 25 Tutor.

### QUICK CROSSWORD



- ACROSS**
- 1 London station
  - 2 Staff cafe
  - 3 Canadian Pacific port
  - 4 Ask to attend
  - 5 French landscape
  - 6 Rook of Psalms
  - 7 Spoke hoarsely
  - 12 Least possible amount
  - 13 Cliffhanger
  - 15 Shakespearean play
  - 16 Unpowered plane
  - 17 Command
  - 19 Curt
  - 21 Very small bird
- DOWN**
- 1 Gloriously bright
  - 2 Staff cafe
  - 3 Wind instrument
  - 4 Ask to attend
  - 5 French landscape
  - 6 Rook of Psalms
  - 7 Spoke hoarsely
  - 12 Least possible amount
  - 13 Cliffhanger
  - 15 Shakespearean play
  - 16 Unpowered plane
  - 17 Command
  - 19 Curt
  - 21 Very small bird

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### CURRENCY MARKETS

#### Dollar in the doldrums

On Friday dollar-selling resumed after a one-day pause in its week-long fall. In the Far East, the heavy selling was triggered by the Japanese finance minister's comment that exchange rates should be left to the market. The Bank of Japan sought to correct the damage done by the minister, by means of a \$50 million intervention into the market, but the move failed to brake the dollar's fall.

It continued its slide in New York, in response to a downward revision of second-quarter U.S. gross national product from 2.6 per cent, which reinforced worries about the trade gap as the recalcu-

lation came from a drop in net exports.

The modest 0.2 per cent rise in the July U.S. Consumer Price Index failed to stem the dollar's slide. Dealers from Manufacturers Hanover Trust commented that the turning point for the dollar was larger than expected U.S. June trade deficit of \$15.71 billion reported two weeks ago. The deficit undermined the dollar throughout last week, and brought the focus back to economic fundamentals. In addition, the easing of tensions in the Gulf dimmed the dollar's importance as a safe-haven currency.

Sterling rose sharply, offsetting its Thursday decline due to renewed fears of inflation in response to the British bank-lending rate and money supply data for July.

The column appears courtesy of Boaz Barak Advisory Service.

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## MARKET PLACE

PINHAS LANDAU

### Some export advice

The cabinet yesterday turned its attention to other economic issues, rather than the Lavi. In particular, it examined the state of exports and found that, in general, this year had been good and profitability generally satisfactory, exports to "the dollar bloc" were in poor shape.

This was a timely discussion, because the currency markets have been the scene of a renewed dollar sell-off this past week. The most telling comment was that of an analyst who pointed out that in its recovery stage, the dollar crawled slowly and painfully upward, taking many weeks to move from its lows of 137 yen and 1.76 Deutschmarks to the recent highs of 152 and 1.89. But, following the much worse than expected trade figures for June, published 10 days ago, the dollar lost most of those hard-won gains within a few days.

The question facing the currency markets this week, therefore, is whether the American unit will test its April-May lows - presumably yes - and if so, will it break them and fall to new ones - which will depend on the actions of the main central banks, among other things.

The market background is extremely relevant to the government discussion, because insofar as the lack of profits of Israeli exports to the dollar bloc is a function of the dollar's general weakness, there is precious little that the Israeli government can do about it.

There are those, especially in the large high technology industries, who want to have the problem solved for them by a devaluation. However, even those ministers who used to be sympathetic to Tadiran Ltd.'s Yigal Ne'eman and the other pro-devaluationists, are beginning to have second thoughts.

The experience of the January 1987 devaluation, which was instigated by the industrialists and supported by the defence establishment, has brought many of its then supporters to understand that it was a mistake. Nowhere is this more clear than in the case of Israel Aircraft Industries. Defence Minister Yitzhak Rabin, and many of his aides, thought that a devaluation which would raise the real value of U.S. aid, and reduce the real cost of wages in IAI plants, would solve many problems - but it did not.

This explains why Rabin's attitude to the IAI has changed so radically in recent months, with the Lavi project being the major casualty. It also explains why others, including ministers Ariel Sharon and Gad Ya'acobi are unwilling to espouse the quick fix of devaluation. All of them know that no real problems will be solved by such a move, even at the micro level - while at the macroeconomic level a devaluation entails serious disruptions, which the Treasury, and everyone else, is strongly opposed to.

The current consensus regarding devaluation is that if Israeli inflation rates continue well above the average of our main trading partners, an adjustment will be inevitable. But, on the other hand, trying to solve the problems of exporters to dollar bloc countries, especially the U.S., by fiddling with exchange rates, will be highly counter-productive.

The fall-back position of the interventionists, as evidenced in yesterday's cabinet meeting, is to obtain alternative forms of support for these exporters. This means subsidies by another name, and this is certain to raise the hackles of the Treasury, and then of the Americans themselves, who are tending ever more protectionist.

The only genuine solutions are the unpleasant ones. One has to recognize that the U.S. market for imports is shrinking, and therefore competition is being made harder - Free Trade Agreement - or no. This means that firms will have to be more efficient to achieve decent results.

The other, which is a complement to the first and not an alternative, is to recognize that artificial means used to "support" exports to the U.S. will prevent the restructuring of export markets, which is now required. The overall volume of U.S. imports is declining, but that of Japan is rising. If Dubeck Ltd. can sell cigarettes to Okinawa, surely many other Israeli producers can do the same.

Regrettably, many firms will not make the switch successfully and will wither. Others, however, will seize the opportunities offered. The government should keep its incompetent and dirty hands out and not try to impede this process.

Even regarding the exporters' legitimate complaints about finance costs, the solution is to withdraw, not to act. Cheaper money is contingent on continued capital market reform, which is contingent on continued budgetary restraint, which is contingent on keeping wasteful subsidies down, if not completely out.

# Gov't to sell 60% of Zion Cables

By AVI TEMKIN  
The Ministerial Committee on the Sale of Government Corporations yesterday approved the sale of a 60 per cent equity stake, or 51 per cent of the shares, in Zion Cables Ltd., to Isal Ltd. and Clal Industries Ltd.

The decision to sell the shares for \$11 million came despite opposition from the company's works committee. Zion Cables, a maker of telephone, electric and power cables, is a wholly owned subsidiary of the government-owned Israel Chemicals Corp.

Isal Ltd. was formed recently with the cooperation of the Operation Independence Task Force, a group of private Jewish businessmen abroad who are trying to aid Israel's exports. Isal was set up by its Latin American section.

The ministerial committee also approved floating shares in Mivnei Ta'asia Ltd., another state-owned corporation, which builds and rents industrial sites. The government will still hold 95 per cent of the shares after flotation.

Mivnei Ta'asia will be the third

government corporation to see its shares sold to the public - although in all cases the state has kept the lion's share of the stock - since Moshe Nissim took over as finance minister. The two other companies are the Jerusalem Economic Corp. and Pericase Ltd.

The committee also decided yesterday to merge the Agriculture VBank with the Industrial. The Agriculture Bank's results have been poor of late, while the Industrial Bank has turned it relatively large profits in recent months.

According to the Industry and Trade Ministry, the first contacts in the sale of Zion Cables were made when Industry Minister Ariel Sharon visited Latin American last year.

## CORRECTION

A story appearing on page 2 of Thursday's Jerusalem Post about the Treasury's estimate of continuing the Lavi contained an error. The cost per family in terms of new taxes will amount to \$3,000 to \$5,000 over 10 years, or \$300 to \$500 a year. The Post apologizes for the error.

# Danish Interiors' fate in doubt

BY KEN SCHACHTER  
For The Jerusalem Post  
TEL AVIV. - The financial footing of Danish Interiors Ltd. grew more perilous over the weekend as United Mizrahi Bank filed - and promptly withdrew - a request for a court order to attach NIS 700,000 paid to the furniture chain through Iscard accounts.

A Mizrahi spokesman yesterday said any movement to foreclose on the troubled furniture store would hinge on the ability of owner Avraham Taviv to find an investor to revitalize the business. It remained unclear precisely why Mizrahi decided to back off from its effort to protect its loans by diverting monies moving through Iscard en route to Danish. But sources close to the negotiations discounted reports that Danish's other major creditor, Bank Leumi, had pressured Mizrahi to

withdraw the temporary attachment order it was from the Tel Aviv District Court.

The furniture chain owes about \$440,000 to Bank Mizrahi and \$860,000 to Bank Leumi, sources say.

It is widely believed that given the requisite financial injection, Danish Interiors could recover and reopen its doors. This hope apparently has led the banks to give Taviv some leeway in seeking new funds. Negotiations are being held with prospective investors from both Israel and abroad amid a media blackout imposed by Danish Interiors' management since the firm's 150 workers were idled on Thursday. Still, Mizrahi's action offers a striking indication that the banks' primary interests lie in recovering their money and unless a suitable investor steps for-

ward soon, foreclosure remains a possibility.

Taviv headed a syndicate that bought the chain a year ago from Rina Industries Ltd. for \$1.84 million. His company still owes \$459,000 to Rina payable in 1988.

The chain has a particularly large clientele among immigrants from Western countries. Geoffrey Tollman, who owned the chain before it was bought by Rina, said Taviv's rapid expansion of the chain negated, at least in part, the exclusivity factor that made the stores successful in the past.

"Taviv was like a bull in a china shop," Tollman said of the expansion that brought "five or six branches to the Gush Dan area."

"You don't have to be everywhere," he said. "People will come to you."

# Egypt cuts oil price by \$1.25 a barrel

CAIRO (Reuters). - Egypt on Thursday announced a sharp cut in export prices for all its blends of crude oil by \$1.25 a barrel, effective at the end of this month.

The announcement by the state-owned Egypt General Petroleum Corp. said the price drop, the first since February 25, was in line with the world market situation. It did not elaborate, but prices have been declining on spot market in recent weeks.

The reduction brings the price of the benchmark Suez and Ras Bar blends to \$17.50 a barrel.

About half the country's total production of 870,000 barrels a day is consumed locally, one third is exported and the rest goes to foreign companies exploring for oil.

## Boaz approved as Treasury budget chief

Post Economic Reporter  
The cabinet yesterday approved the appointment of David Boaz to the post of director of the Budget Department at the Treasury. He will replace Aaron Fogel on September 1.

Fogel, who held the post since 1984, will serve as chairman of the

board of Bank Leumi's merchant bank.

Boaz served in the budget department from 1968 to 1979. From 1977 he was deputy director and from 1979 he worked in the private sector in senior executive posts at Iscar Ltd., and from 1983 at Simetron Ltd.

## Israel Money Markets

Shelved Deposits (annual rates)				
Bank	Deposit			
Last Updated		Peak	7 days	14 days
Leumi (Aug. 21)	40-1,000	—	7.00	8.00
	1,001-10,000	11.00	10.00	11.00
	10,001-50,000	11.50	11.00	12.00
	50,001-100,000	11.50	11.50	12.50
	100,001-500,000	12.00	11.50	13.00
	500,001-1,000,000	12.00	12.00	13.50
Hapoalim (July 22)	Up to \$50	6.00	6.00	6.50
	50.01-99.99	11.00	11.00	11.25
	100.00-49,999	11.50	11.50	11.75
	50,000-99,999	12.00	12.00	12.25
	100,000-499,999	12.50	12.50	12.75
	500,000-999,999	13.00	13.00	13.25
	1,000,000-4,999,999	13.50	13.50	13.75
	5,000,000-9,999,999	14.00	14.00	14.25
	10,000,000-49,999,999	14.50	14.50	14.75
	50,000,000-99,999,999	15.00	15.00	15.25
	100,000,000-499,999,999	15.50	15.50	15.75
	500,000,000-999,999,999	16.00	16.00	16.25
	1,000,000,000-4,999,999,999	16.50	16.50	16.75
	5,000,000,000-9,999,999,999	17.00	17.00	17.25
	10,000,000,000-49,999,999,999	17.50	17.50	17.75
	50,000,000,000-99,999,999,999	18.00	18.00	18.25
	100,000,000,000-499,999,999,999	18.50	18.50	18.75
	500,000,000,000-999,999,999,999	19.00	19.00	19.25
	1,000,000,000,000-4,999,999,999,999	19.50	19.50	19.75
	5,000,000,000,000-9,999,999,999,999	20.00	20.00	20.25
	10,000,000,000,000-49,999,999,999,999	20.50	20.50	20.75
	50,000,000,000,000-99,999,999,999,999	21.00	21.00	21.25
	100,000,000,000,000-499,999,999,999,999	21.50	21.50	21.75
	500,000,000,000,000-999,999,999,999,999	22.00	22.00	22.25
	1,000,000,000,000,000-4,999,999,999,999,999	22.50	22.50	22.75
	5,000,000,000,000,000-9,999,999,999,999,999	23.00	23.00	23.25
	10,000,000,000,000,000-49,999,999,999,999,999	23.50	23.50	23.75
	50,000,000,000,000,000-99,999,999,999,999,999	24.00	24.00	24.25
	100,000,000,000,000,000-499,999,999,999,999,999	24.50	24.50	24.75
	500,000,000,000,000,000-999,999,999,999,999,999	25.00	25.00	25.25
	1,000,000,000,000,000,000-4,999,999,999,999,999,999	25.50	25.50	25.75
	5,000,000,000,000,000,000-9,999,999,999,999,999,999	26.00	26.00	26.25
	10,000,000,000,000,000,000-49,999,999,999,999,999,999	26.50	26.50	26.75
	50,000,000,000,000,000,000-99,999,999,999,999,999,999	27.00	27.00	27.25
	100,000,000,000,000,000,000-499,999,999,999,999,999,999	27.50	27.50	27.75
	500,000,000,000,000,000,000-999,999,999,999,999,999,999	28.00	28.00	28.25
	1,000,000,000,000,000,000,000-4,999,999,999,999,999,999,999	28.50	28.50	28.75
	5,000,000,000,000,000,000,000-9,999,999,999,999,999,999,999	29.00	29.00	29.25
	10,000,000,000,000,000,000,000-49,999,999,999,999,999,999,999	29.50	29.50	29.75
	50,000,000,000,000,000,000,000-99,999,999,999,999,999,999,999	30.00	30.00	30.25
	100,000,000,000,000,000,000,000-499,999,999,999,999,999,999,999	30.50	30.50	30.75
	500,000,000,000,000,000,000,000-999,999,999,999,999,999,999,999	31.00	31.00	31.25
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## Romanian summitry

WHAT IT WAS precisely that transpired between Yitzhak Shamir and Nicolae Ceaucescu during their several encounters in Bucharest last week, is anyone's guess.

The Romanians, when not actually tightlipped, were most sparing in the amount of information they let out, while the Israelis offered merely self-serving commentaries. The Israeli denial that there had been any talk of possible new pressure by Washington's Jewish lobby on the Senate to restore Romania's "most favoured nation" status, has already been put in question by yesterday's appeal to Congress by the prime minister to reconsider its position. Obviously the subject did come up, on Mr. Ceaucescu's initiative. It must have been on the understanding that the fact should not be publicly admitted.

Officially, the invitation hurried by President Ceaucescu to Premier Shamir was to discuss the advancement of the Middle East peace process.

That was in itself a trifle puzzling, for there could have been not the slightest chance that Mr. Shamir would so much as budge an inch on the crucial matter of the international peace conference. The carefully leaked expression of Mr. Ceaucescu's disappointment over the premier's obduracy was therefore out of order.

On the other hand, the claim put out by a member of the premier's entourage - Deputy Minister Ronni Milo, to be exact - upon his return home that the outcome of the talks was a veritable breakthrough in the peace process, could have been a bad joke if it were not made in dead earnest. Words do have meanings, after all; and if Mr. Ceaucescu's polite consent to transmit Mr. Shamir's by now familiar idea of a "regional conference" without the Russians - a complete non-starter - is anything like a breakthrough, then peace is already round the corner, and there is no need for any conference, regional or international, to hasten its advent.

With Mr. Shamir safely out of Bucharest, some rather mean-spirited critics have begun questioning the usefulness and necessity of the premier's very trip. That was unfair.

Plainly, the usefulness of the trip is a matter for the participants themselves to decide. If Mr. Ceaucescu believes that his "summit" with Mr. Shamir was useful in bringing his peacemaking role back into the limelight, and if Mr. Shamir thinks that it helped underline his own role as an immovable barrier to any peace that would not be reconciled with the retention of the occupied territories, then it must be pronounced useful.

As for the necessity of the trip from the Israeli viewpoint, it must be conceded that it would have been grossly impolite for the premier to spurn, however politely, an invitation from the head of the only communist state that maintains not only normal but friendly and mutually beneficial relations with the Jewish state. Even as a mere gesture of appreciation for Romania's liberal policy towards its Jewish subjects and their right to make aliya, the trip was indeed necessary.

But appreciation must in the Romanian case have its limits, which Mr. Shamir, once back home, appears to have transgressed.

Queried by an Israel Television reporter as to what his most favourable impression of Romania had been, Mr. Shamir seemed at first flustered. Pressed for an answer, Mr. Shamir replied that it had been the demonstrable patriotism of his interlocutors, all of them government officials.

When the prime minister of democratic Israel is so taken by the slavish, fear-induced docility of another people as to call it patriotism, it is time to start worrying.

## Lavi - the real issues

THE PROBLEM with the Lavi is, first, that the IDF does not want it if it gobbles up the funds needed to develop what in its eyes are much more vital new weapons, and second, that the Treasury does not believe the country can afford to pay for both the jetfighter and the IDF's preferred alternatives without playing havoc with the economy. Given that Israel is what it is, a powerful little country but less than a super-power, the chances are it will not be able, even at the present level of U.S. aid, to produce anything like the Lavi. Not now, and not in the foreseeable future.

Coming to terms with these facts of life may not be easy for the man-in-the-street, and nor for many politicians. Premier Shamir's obstinate response to them is to ignore them, and to trust to Uncle Sam to bail Israel out in the end. Vice Premier Peres's more elegant solution is to try to get around the facts, so as to better serve the cause of high technology.

Mr. Peres's best advertised latest proposal is to forget about producing the Lavi but, in order to keep Israel Aircraft Industries humming, to start research and development on a blue-white warplane for the next millennium. The idea is intriguing, but that is about the best that can be said for it, and the reasons would seem to be obvious.

The air force has not even begun to consider the specifications that must underlie the drawing of plans by the IAI for a post-Lavi jetfighter that will be scheduled to go into service after the year 2000. But the plane is not very likely to go into service even at that late date. For well before it goes into production, it will most likely face even bigger problems than does the Lavi today.

In the meantime the air force will have to keep equipping itself with jets from the U.S. arsenal.

Another, somewhat more realistic proposal aired by Mr. Peres, and originally suggested by the Americans, is for Israel to co-produce a more advanced version of the F-16C, which is currently being absorbed by the air force. But that new version still awaits an actual decision in Washington, where a ruling on granting even minimal co-production rights to Israel may take quite a while. To make the scrapping of the Lavi - daily cost: one million dollars - conditional on these American decisions, would be most unwise.

Israel's future depends in no small degree on its successful absorption and development of high technology. But high technology is not a romantic idea to which homage must be paid by divorcing it from cost accounting. The cause of high technology is much better served by raising the level of scientific and engineering education than by keeping alive artificially inflated prestige projects.

# Tora in the modern world

Shubert Spero

AS A Modern Orthodox Jew, I am periodically appalled by particular policies of the haredim whom I hold responsible for the negative image which Orthodox Judaism seems to possess in this country. Therefore I sat back and expected to enjoy the fun as Jacob Neusner took his turn at haredi bashing. ("The Haredim want to make us all into Amish," *Jerusalem Post*, July 30, 1987).

However, while Neusner rightfully consigns the haredim to irrelevancy, he awards them, on grounds which he nowhere makes clear, the crown of "authenticity," and judges their representations of Tora to be "sound" and "right." Neusner's support of Modern Orthodox comes at too high a price. If I accept his attribution of relevancy, I must perforce admit the inauthenticity. (See the insightful letter to the Editor by Jonathan Topper: "Tora True Judaism," *Jerusalem Post*, August 9, 1987). Neusner's view of things is so skewed and the issues so vital that they demand a response.

First, the use of the term "authentic" to judge doctrinal differences which are essentially philosophical is most inappropriate and confusing. In its primary sense, authentic means "genuine, real and actually being what something purports to be." Thus, to say that the haredim on their views are authentic is to say that they are truly fundamentalistic, God-fearing, exactly as they appear to be. But by the same token I am an authentic Modern Orthodox Jew and Neusner is an authentic Professor of Jewish Studies. This gets us nowhere!

To make it worse, Neusner suggests at one point that the term is capable of comparative quantification for he says, "The Haredim portray the Tora more authentically than others." If so, what are his criteria for Tora authenticity: the number of biblical verses and rabbinic sources quoted?

But Neusner's worst distortion, by far, is his view that, "on the subject of politics, economics and science, authentic, classical Judaism either has nothing at all to say or simply says the wrong thing." (Elsewhere in his article, Neusner makes the less sweeping claim that "Tora omits all systematic doctrine on these critical subjects.")

Let us assume for the moment that the Tora says nothing about these matters. What does that imply? One could say that the Tora wishes us to ignore these areas or one could say that since it is clear from the Tora itself that these matters are vital for human existence, the Tora, by its silence, is inviting us to develop them on our own.

All important here is the philosophical premise with which we approach the Tora. What do we expect from it? Is the Tora meant to be a sufficient condition for human fulfillment as the Haredim believe? If yes, then nothing else is needed.

The Modern Orthodox, however, maintain that the Tora is meant to provide necessary directives about how to live morally and ritually, and provide basic insights into the nature of God, man and sacred history. But man himself in developing culture has been mandated to provide the substantive conditions of life itself, seek to further knowledge of himself and the world and increase his power so that he may better his material situation. How does Neusner know that the Haredim have the right approach? Surely not from the Tora itself?

Of course, "the Tora omits all systematic doctrine on politics, economics and science." It is not expected to contain all these things. But it does not follow that the Tora has nothing to say about these matters. For it surely does.

ALL AGREE that the Tora contains moral principles and teachings urging a life of justice and righteousness. But if politics, as Plato suggested, is nothing more than the principle of justice with large into the affairs of state, then the Tora has a great deal to say on how to conduct politics, judge economic policy and use the practical applications of science. The Tora may not advocate any particular political system but it certainly contains basic values by which to critically evaluate political and economic arrangements as did the Prophets.

The Tora obviously is not, nor was it meant to, be a handbook on science. However, it reports favourably on technological advances (Gen 4:21,22) and it seems to encourage man to exert control over his environment (Gen 1:26). Furthermore, by describing nature as orderly and following fixed, uniform laws, the Tora is suggesting that it can be penetrated by human reason.

Neusner claims that philosophy itself "found a place within Judaism only because of the entry of alien modes of thought from Greek and Islamic sources." True, Jewish sages were stimulated by their encounters with Hellenism and Moslem theology. However, "authentic" Jews were already doing "authentic" philosophy long before these alien incursions.

Philosophy, as such, is simply the asking of fundamental questions about the significance, overall purpose or evidential grounds of any activity or discipline. Philosophy is the method of intelligence itself, seeking coherence, consistency, in short, rationality. Already in the Tora itself, in the Book of Job, the philosophical problem of theodicy is raised.

The talmudic rabbis broadened the discussion to include such philosophical issues as: what are the supreme moral principles of Judaism, is it good for man to have been created, what is the nature of man? The Tora which is the integrated biblical and rabbinic traditions, is conceived by many of us as a religion i.e. cult, creed and code towards which we relate in ultimate concern. It is not expected to contain a systematic philosophy. The inquiring mind in encountering the Tora may infer from it a conceptual picture of the whole which we call a philosophy. Those philosophies of Judaism, and there may be more than one, are valid which can be shown to be coherent and consistent with the creed, cult and code of the Tora.

Modern Orthodoxy as exemplified by Bar-Ilan and Yeshiva universities, claims that the room we have made for democracy, science and economics within Judaism, is based upon principles found in the Tora and is consistent with the Tora in all its entirety. Our commitment to our complex contemporary world in its totality and to the Jewish State in particular, emanates from our understanding of our obligations as Jews who accept the authority of the Tora. Our insistence upon relevance flows from our deepest convictions of what are the necessary conditions for achieving the Tora goals in history.

Israel society would do well to seek out the Modern Orthodox if it would both strike roots in its ancestral heritage and gain a sense of direction for the problems of a Jewish state in the last decades of the 20th century.

As to the appropriate and "authentic" nomenclature by which to characterize the Haredim, we have but to consult the sources. The Prophet already knew that strict observance could be combined with incorrect philosophic views: "Those that handle the Tora, knew Me not" (Jer. 2:8) while our Sages realized that concern for Heaven can sometimes go together with lack of concern for man: "Good to Heaven but bad to humanity, that is a tzaddik who is not good." (T.B. Kiddushin 40a.)

The writer is professor of Jewish Thought at Bar-Ilan University.

## Planning in perpetuum

Aaron Leibel

WHO SAYS Israeli politicians lack imagination? Take our foreign minister, for instance. His far-sighted plan by which Israel Aircraft Industries would begin developing a next-generation fighter for the year 2000, instead of building the present Lavi, opens up almost unlimited possibilities.

For IAI, for example, Peres's plan would mean no more crises. In the mid 1990's, when production of the Albatross (a suggested name for the next generation Lavi) would presumably be slated to begin, a national debate on the plane which we will not be able to afford and the Air Force will not want, could be avoided. Aircraft engineers would simply start planning a fighter plane for the year 2020. When the date of production of that plane draws near, planning would begin for the fighter of the year 2050. (If they get tired of planning warplanes, the same principle could be used to "develop" a new jumbo jet.)

Everyone would be happy. IAI would not have to fire anyone, the U.S. would not object to continuing research, the Air Force would not be

saddled with the Albatross and the government would not have to take any tough decisions.

BUT THE concept of divorcing research and development from production has implications beyond the Lavi. Water experts claim that the country can't afford the water needed to grow cotton. But farmers who have spent millions of dollars tooling up for massive cotton growing are naturally reluctant to switch to something else.

This wicket could be unstuck by adopting the Peres Principle. The government would pay all the farmers to stop growing cotton and instead plan a massive increase in cotton acreage. Of course, the increase would never be implemented. Hydrologists would be thrilled with the water saved and cotton farmers would not need to worry about decreased incomes. A perfect solution.

Or take the problem of a new stadium for Jerusalem. The capital's soccer fans are sick of having to commute to Tel Aviv every Saturday, but objections by the ultra-Orthodox community to Sabbath desecrations have put the new stadium on permanent hold.

The PP to the rescue. Dozens of local architects are put to work locating

alternative sites and drafting plans for stadiums - without a shovelful of dirt ever being moved. (Cynics might suggest that here the PP has been at work on the Jerusalem stadium for years.)

Again, everybody is a winner. Unemployment among Jerusalem architects would disappear. Soccer fans could happily study and debate the merits of various sites and stadiums, the plans for which would be distributed free to those on their way to the games on Saturday morning. And the cry "Shabbos, Shabbos" would no longer be heard in the land.

The widespread application of the PP, then, holds promise of solving some of this country's most pressing problems. And even if it doesn't, anything makes more sense than building the Lavi.

The writer is a member of The Jerusalem Post editorial staff

## Dry Bones



## READERS' LETTERS

### NOT ALL REFUGEES

To the Editor of The Jerusalem Post Sir, - I read with growing sense of incredulity the interview with Professor Miriam Haron eulogizing the Americans who have come to make their homes here (August 14).

"Americans who settle in Israel are different from all others who do so. Essentially everyone else living in Israel is a refugee." This is news to me. I come from England and I came here because I wanted to, not because I had to, as did a number of my friends. Are we refugees? Some of us may in fact be the children or grandchildren of people who fled to England from Russia and Poland, but by the same token where did the forefathers of these Americans come from?

How nice for them that they have passports and go back to the U.S. whenever they want. So do we - there is nothing to stop my friends and me from getting on a plane and returning to our country of origin for a visit. Does this make us refugees?

What about the people who come from France, Canada, Australia and even South America? Are all these people refugees from oppression?

Maybe this lady should do part of her research in America among yordim of American origin who have returned to their home country because their idealism wasn't sufficient to cope with the problems of living in this country.

DEANA WHINE

Kfar Sava.

### JDEC TAKE-OVER

To the Editor of The Jerusalem Post Sir, - Yehuda Litani's analysis of August 10 characterizes the government's decision regarding the Jerusalem District Electric Company as "a take-over...under an elegant guise." Yet he does not deal with the considerations raised by the four cabinet members opposing the decision as not going far enough or otherwise being inappropriate.

At the same time, Litani unintentionally projects a devastating caricature of Arabs. He would have us believe that to the Arabs of East Jerusalem and the territories, the JDEC symbolizes "self-sufficiency in electric power." Is he saying they are ignorant of the fact that the JDEC generates only 5 per cent of the electricity it sells?

Debt-ridden, poorly managed, decrepit and providing poor service,

Sir, - Professor Haron is wrong. For example, immigrants from Scandinavia (Denmark, Norway, Sweden and Finland) are not refugees or descendants of refugees. Some are fourth-generation Jews born in Finland. Also, the passports of Scandinavian immigrants "allow them to return there at any time."

B.D.  
(name and address supplied)  
Netanya.

Sir, - The opening paragraph of "Making a commitment" made my blood boil. I realize that for the purposes of the article, it was necessary to establish that American Jews made sacrifices to come to live in Israel, but was it really necessary to refer to them as "the most privileged immigrants Israel has ever had?" Who says they are?

As an English immigrant from an affluent Jewish family, I would call myself privileged too. As far as I know, I too have the right to return to Britain at any time and live a fulfilling Jewish life. Many of my friends here are in the same position. That does not mean that we endlessly talk of how much we gave up.

I am tired of the American Jews' attitude that they have the most to lose in coming here. Let us hear no more of this destructive attitude. No one loves a martyr.

LUNNA PEREZ

Eilat.

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